AGENDA

NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS COMMITTEE
12:30 p.m. – Thursday – August 25, 2016
Board of Trustees Room
315 Altgeld Hall

1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval................................................................. Action........i
4. Review and Approval of Minutes of May 19, 2016 ................................ Action........1
5. Chair’s Comments/Announcements
6. Public Comment*
7. University Recommendations
   a. Fiscal Year 2018 Budget Request Guidelines .................................. Action......22
   b. Fiscal Year 2018 IBHE Capital Budget Request.................................. Action......24
   c. Stevenson Towers B & C – Roof Replacement.................................. Action......40
   d. DoIT Fiscal Year 2017 NIUNet Modernization.................................. Action......41
8. University Report
   a. Fiscal Year 2016 Report of Tuition and Fee Waivers ......................... Information......42
   b. Fiscal Year 2016 Report on Capital Activities.................................. Information......43
   c. Fiscal Year 2016 Annual Report of Transactions Involving Real Property.... Information......49
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   f. Annual Summary Report Obligation of Financial Resources ................ Information......69
   g. Road Map for Central IT .................................................................. Information......70
   h. Five-Year Repair and Improvement Planning Update........................ Information......71
9. Other Matters

No item in this report for release prior to 12:30 p.m. Thursday, August 25, 2016.
10. Next Meeting Date

11. 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 Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible.
CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:44 p.m. by Committee Chair John Butler in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call. Members present were Trustee Robert Boey, Trustee Wheeler Coleman, Trustee Robert Marshall, Trustee Cherilyn Murer, Trustee Tim Struthers, Trustee James Zanayed, Board Chair Marc Strauss, and Committee Chair John Butler. Also present were President Douglas Baker, Committee Liaison Alan Phillips, Vice President and Provost Lisa Freeman, General Counsel Jerry Blakemore, and Board Liaison Mike Mann.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

Chair Butler explained, we have an agenda that has been just distributed to us which is an updated agenda which includes an additional item, item number 8a that is not in the printed book but is in the publically posted agenda. The only other amendment that I will draw your attention to is that we are dropping from this agenda item 8a for further review and that will come back to us at some other time. With that in mind I'm looking for a motion to approve the agenda as amended by my comments.

A motion to approve the updated agenda was made by Trustee Strauss; seconded by Trustee Marshall.

All were in favor. None were opposed. The agenda was approved.

REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the February 18, 2016 meeting was made by Trustee Strauss; seconded by Trustee Boey.

All were in favor. None were opposed. The minutes were approved.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Butler began, this is an opportunity now for me to make some comments. Let me begin by asking the representatives of the University Advisory Committee if they have any comments they wish to make beginning with Dr. Long. I also see Ms. Nicholson. Either or both of you may make comments?

Greg Long asked, actually may I potentially suspend my comments until after the rest of the public comment? I know that we have a presentation on salaries that I’d like to respond to. Would that be within the protocol?


Holly Nicholson began, I just wanted to acknowledge the close working relationship that we’ve had with Al Phillips, John Heckman, Larry Pinkelton, and the RSB Committee. That’s been a very fulfilling and very positive working relationship. I’d also like to acknowledge our support for the program prioritization reports. It was an excellent body of work, and I’m impressed with the amount of thought that went into them. We
also support the cost savings measures, but for morale we need to make sure that we maintain consistency across groups and programs. Thank you.

Chair Butler thanked Holly. RSB is the committee for Resource, Space, and Budget, which is a committee of the University Council. Dr. Baker, that committee was expanded, is that correct, or altered in its composition in some manner?

Greg Long clarified, actually, last year we did combine the Faculty Senate and University Council. Each of those bodies had Resource, Space, and Budget if you will, and so now it’s combined into one group.

Chair Butler recalled, that’s correct, and Trustee Strauss and I met with that committee recently and learned about some of the activities of the committee. We very much appreciated the invitation and that opportunity.

Let me introduce my colleagues on the Board someone in the room who will at some point soon become very special to us, and that is the student trustee-elect. His name is Matthew Holmes. I’d like to ask you to stand please. Congratulations. Matthew is an Operations Management and Information Systems major, and I believe you’ll be a senior in the coming year. Is that correct? Welcome, and Matthew has been here all day.

I want to make just a few comments before we hear from someone who has public comment and then Dr. Long. I draw the committee’s attention to the fact that for today’s meeting we flipped the traditional order of the agenda by placing the information items before the action items. This is because of the importance of these reports and because of the interconnectedness of the capital planning process report and the capital projects we’re considering for action. We will review an iteration of the quarterly financial report, a new routine report developed by Dr. Philips in consultation with committee members, that offers a rather full picture of FY16 now that we are nearing the end of the fiscal year. Information provided in this report will aid our ongoing budget discussions. A second report concerns capital project planning and it relates to the capital action items on our agenda and responds to committee inquiries. At our last meeting, on February 18, 2016, trustees asked several questions about capital items, and particularly there was a desire for some context or a bigger picture for the fiscal year. Where did these projects fit into an overall plan for the use of capital resources? was basically the question. Dr. Phillips informed the committee that projects being pursued were the most critical or for which we have dedicated sources of funding. He also noted that the university had initiated a process whereby they were developing a capital project program, creating a methodology to evaluate every project that they’re made aware of, developing criteria to prioritize those projects, and assembling a multi-year project list. Then they are identifying available funding. The intent, as we move to a longer-term budgeting process, would be to bring a multi-year project list to the board with associated funding for those projects for those particular years. Today we will see the result of that work as information item 7f, which is important that we look at first, I think, before we look at the capital projects in particular. Those are the sum of my opening remarks.

Chair Butler stated, I’m aware of one person who has expressed interest. Mr. Blakemore are there more than one?

General Counsel Blakemore answered, I have not been notified of any other persons.

Chair Butler asked Virginia Naples to step forward and speak at the podium. If you could keep your remarks to about five minutes that would be appreciated by the committee.

Professor Naples began, thank you Chair Butler. Hello again. I was here earlier this morning. Many of you were here as well. I’m talking about a topic that is related to what I was discussing this morning. This I’m doing without a net because I gave away all of my handouts, so if I forget something, and there is an important point, I would ask someone to remind me or ask for clarification. This is a spreadsheet that I put
Professor Naples continued, there have been many efforts that have been made across campus with faculty and staff and students and administration to try to boost morale, and those are very much appreciated.

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Unfortunately, the single most important factor that boost people’s morale is when they can pay their bills. This is also a factor as I touched on this morning that is going to make it more difficult for the University to acquire new faculty, to retain new faculty, and to have them have some satisfactory careers through here. I would like to see that since we are in a timeframe where there are going to be major budget restrictions and changes and restructuring whether we are willing to do that or not, I would like to see faculty salary equity be included in a real sense in the way the budgets are restructured. Here I have presented faculty salary information. I know anecdotally that there are problems with discrimination against staff members, minorities, all kinds of other of the protected category individuals. Those data were not available to me because what I was using were exclusively the data from the working papers. Those studies also need to be done, and that was something that was mentioned in faculty senate that there is going to be a new faculty salary equity study that was done and I believe also to include examination for equity for staff salaries. Is that correct Greg?

Dr. Long replied that he would fill in a little more detail when Professor Naples was done.

Professor Naples continued, okay. It’s one of the things that I would urge the administration to do. If you will achieve salary equity for faculty, that will make you heroes for the administration. That’s probably the single most important and best thing that can be done to forward the mission of this University. I have been looking at this salary data for many years, well over 20 years now, and in fact I came to the Board of Trustees in 2006 which would have been the meeting corresponding to the May meeting, it was May 25, 2006, to present a more limited study that was based primarily on the Department of Biological Sciences where I reside. Nothing has changed. Nothing has improved, and in fact the situation has gotten worse. I’m very much hoping that all of you will look at this issue with fresh eyes and come up with a solution to this very serious problem. Thank you.

Chair Butler thanked Professor Naples and asked for questions or comments from the Trustees.

Trustee Murer commented, it would be very disturbing to learn that any discrimination takes place on this campus. I’m extremely sensitized to gender equality and pay equality. I would like to make sure that we approach this in a deliberate, non-emotional manner based on scientific, evidence-based analysis. It’s not that hard. It’s not that complicated to do. This actually may be part of our risk analysis. If there’s an allegation of discrimination, it’s a risk. I spoke of this issue this weekend in Beirut, Lebanon, and I’m speaking about this today in DeKalb, Illinois. I really hope that we look at the data in a very empathetic manner, but in a deliberate and scientific manner. We need to provide not only to the faculty but also to this Board an assurance that if inadvertently there’s lack of equality, we have a plan to deal with it and that we have means to assure that data will be concurrently and continuously evaluated to assure that no group, be it gender, be it ethnicity, be it disability, whatever the situation may be, all people are created and treated equally at this University. This is a very serious matter that needs very serious and soulful attention. We need cooperation to not, as best as one can look to the past, be accusatory but work together to try and resolve this matter and try and assure that whatever variables we use in determination of pay, those variables are applied equally. It’s not about which dollar and equality of dollar, because different people are paid different things based on longevity, based on merit, based on performance, based on lots of things, but with the methodology applied for that determination we need to assure ourselves and our community that we apply it in an equitable manner. Thank you for your comments.

Chair Butler asked for other comments.

Trustee Marshall commented, this is just to say that while I’m not going to put a motion on the floor that gives us a timeline, I’m making a suggestion that rather than this dragging and dragging that it be imprinted with the word “soon” to get this done.

Chair Butler asked for other comments and then asked Dr. Long to make some comments.

Dr. Long thanked Chair Butler. I appreciate the opportunity, and I want to thank again Professor Naples for her concerns and bringing this to our attention. I also echo Trustee Murer’s concerns as this has been
a significant and very serious topic. Very briefly in terms of history, we have done some other salary studies. One was in 2005, another was in 2008, and another was in 2011. Certainly the 2008 and 2011 studies did use regression, but that is the typical analysis used by the EEC as well as the Department of Education, and they were reviewed fairly closely, but the thing is each of those reports also called for the need to do periodic reviews of this. So, given that our last one was 2011, five years hence seems to make sense to do this. So in response to the concerns that Dr. Naples raised, the need to do this on a periodic basis, Provost Freeman, Dr. Phillips, and I did release a letter in the Northern Star on April 11th announcing the formation of a salary equity task force. In my role as Executive Secretary and Faculty Senate President I’m being tasked with organizing that, and the initial letter to the editor called for a focus on gender equity. As we’ve looked at this a little more fully, we certainly would add race as a variable. I talked to the chair of the Presidential Commission on the Status of Women, Dr. Laura Vazquez, and I also have talked to Chief Diversity Officer Dr. Vernese Edghill-Walden on this topic. As we look at this moving forward, I’ve had the good fortune to interact with Dr. Virginia Wilcox-Gok, who is a full professor in Economics and the former chair of the Department of Economics. She’s very willing to take this on as her service for next year as part of her workload. We’ve got a graduate assistant who is going to be available for her full time and create an advisory committee that includes a number of individuals from across campus. I know, from a board standpoint, you sometimes ask if we can do things locally; this is one that we’re going to try to do locally. She’s a labor relations specialist and has a grad class that’s going over this topic in the fall. She’s going to include them in this process. Our overall goal in this is to look at it at a much broader level so it’s not just gender and race, but we’re looking at other variables in terms of salary compression and salary inversion. We’re looking at it with a bigger perspective really; relying on Dr. Wilcox’s nationally known expertise on this topic in terms of our advisory committee to participate on this. We absolutely want to get some diversity, but for me it’s equally as important if not more so to be sure that the individuals on the advisory group have the disciplinary expertise and competence to contribute in a manner that allows us to create a process that is replicable and transparent. Dr. Wilcox and I even talked about the idea of taking this and publishing it as a scholarly article. We want to do this in a way that can be replicated over time and that does answer the kinds of questions that are being asked. So we are taking the concerns very seriously and as an organization looking to put together a task force that will begin our work seriously in the fall because we want faculty involved. Right now most faculty are off contract, but I would say beginning first part of fall semester we’ll be able to move forward on this. I’ve already got some meetings scheduled with Dr. Wilcox to do some initial planning.

Chair Butler asked for questions or comments related to what Dr. Long has just said.

Trustee Murer commented, everything you said is commendable Dr. Long. I just caution us to be not so academic and not so process-oriented because the answer that must, not should but must, come back to this Board is that there is no discrimination, that individuals are treated and are compensated in a blind format. That’s the answer we have to get. What I caution us to do is not not elongate the process to such point that we cannot readily learn of this answer. Thank you.

Chair Butler asked for other comments. This is one of those issues that comes to the Board and we need some time to sort out where the appropriate place for reporting on this might be. We’ll talk with Dr. Long on that issue. It seems to me that the Academic Affairs, Student Affairs and Personnel Committee is probably the appropriate place for this. I am of course sensitive to the rationale for presenting it in this particular committee based on the desire that it be represented in the budget priorities. That’s been heard. We will talk as Board members and with Dr. Long, and we will determine the most appropriate way to accommodate Trustee Murer’s very clear request that this particular question and issue be studied and that the results come back to the Board. Are there any other comments on this issue?

President Baker commented, I would just say that I appreciate the provost and Dr. Long getting together earlier this year and taking this on in earnest. I think you’re taking it on in appropriate fashion, to really do this in a well-substantiated, methodological way and really get to the roots of the issue. So I very much appreciate that and support it.
Chair Butler began, I’m going to then move into the University report, and I’m going to ask the trustees if they are comfortable moving immediately to the Quarterly Financial Summary and having the first three information items be reviewed on your own unless you have any questions about them. If so, I’m happy for us to talk about them, otherwise we can go right to the Quarterly Financial Summary. Is that acceptable? Okay, so then we’re on item 7d, and I’m going to turn the floor over to Dr. Phillips.

Information Item 7a – Semi-annual Progress Report of Active Capital Projects
Information Item 7b – Quarterly Summary Report of Transactions in Excess of $100,000
Information Item 7c – Periodic Report on Investments

Information Item 7d – Quarterly Financial Summary

Dr. Phillips indicated that this is the quarterly financial report. Over the last several Board sessions we have worked on putting together a report that clearly lays out what is going on with our budget through the year. What we’ve done for this report is we start off the year with the budget broken down by month, and as we go from month to month, we replace the budgeted item with the actual revenue and expense which then gives you a much better picture of how we are doing relative to our revenue and budget projections. So far this year, and I will talk about this in another item here shortly, we had projected revenue of $389 million and expenses of I believe $418 million. We are essentially at that point. The challenge is that this was based on a spending level from the state of $63 million, and as you know what we’ve received so far is $26.4 million. So this report, this month, reflects the actual revenue from the state and our actual spending level to this point in the year. Currently we are projected to finish the year, in the absence of any additional funding, with our expenses exceeding our revenue by about $29 million. We have an item here shortly that requests approval to spend to that level, and I will talk more about that when we get to that point.

Chair Butler asked for questions. There were none.

Information Item 7e – Fiscal Year 2017 Internal Budget

Dr. Phillips indicated that he would normally be bringing to the Board a recommendation for a budget for fiscal year ’17 at this point in time, as there are two weeks left in the legislative session. We are still hopeful to receive additional funding for fiscal year ’16, almost 12 months into the year. We will be bringing that item to the Board directly in June with the hopes that we would have a much better idea of what we might expect in terms of state funding for ’17.

Chair Butler asked for questions. There were none.

Information Item 7f – Overview of Five-Year Repair and Improvement Planning

Dr. Phillips introduced the next item as an overview of our five-year repair and improvement plan. This is something, as Trustee Butler has mentioned, we’ve been working on for a while. He introduced Associate Vice President for Facilities Management and Campus Services John Heckmann to give a presentation on where we are with this effort.

Mr. Heckmann indicated this is a pretty complicated and challenging effort for us to go through, but I think when I first got here I faced a similar challenge that all of you face when we bring you projects. You can’t understand that context and where it fits into the bigger scheme of things, and I struggle with that myself. So as we worked through a process with my team, I want to show you where we’re at so far with a very complicated process. It’s complicated by the fact that we have numerous, hundreds of things that we’re trying to get our arms around in the complexity of our process to begin with. I want to celebrate, in some way, the efforts that we’ve come to so far with my team over the past few months. When I first got here this was how I viewed things: We had work coming into our organization from various areas throughout
the University. It was anything from small stuff to large stuff, from repairs that needed to be done to new stuff; a very complicated picture, all trying to come together to one organization, and it was hitting us from very different angles. So obviously we needed to get a better process; to get our arms around this in a controlled manner. We needed to differentiate the types of work we were doing and not give too much preference to new work and renovation work when we had leaking roofs and other important things that were keeping buildings from being operational. We needed a prioritization scheme that would allow us to legitimately say the right money is going to the right place at the right time with the few dollars that we’re getting in our budget right now. That was very important. That’s what we were faced with and what we needed to change. We’re trying to get our arms around one central way of bringing our deficiencies in one organized manner; everything from facility deficiencies to facility improvements including even times when we have to install equipment, whether it be in labs or anything else; those typically come with a facility interplay, typically with power, and we need to be aware of those so we do that in the correct manner, and as I mentioned, the prioritization strategy that will incorporate the right parameters and the right criteria to evaluate and then lay out an appropriate multi-year prospectus so we can get a handle on where we’re going to go and we can legitimately, in a disciplined manner, plan things out appropriately. It’s very difficult to be able to do a large project all in one year. When you plan, design, and construct it all in one year, you’re upping your chances of making a mistake and making a bad decision. It’s acknowledging that some priorities will come up and some urgent things will come up, and we’ll accommodate those as they happen, but we just don’t want that to be the norm.

Mr. Heckmann continued, the structure that we started to lay into process, and we’re learning as we go, has been an on-going effort to try to refine our process, but fundamentally this is how it looks. We’re funneling all work into one location so we have a handle on everything that’s being requested of our organization from a facilities management perspective. We’re then trying to compartmentalize - what’s the type of work we’re talking about; is it minor, is it major, using $7,500 as our rough figure to separate that type of work. It’s a good figure to determine whether or not that type of work needs additional review and higher level review. Then we’re further compartmentalizing that into buckets; is it maintenance work, is it repair work, or is it something new - new construction or a renovation that could be defined as discretionary, and trying to understand how we might begin to prioritize and view things in a different manner. In this manner we’re trying to approach a segmentation of our work so it’s not all coming in at one time and we end up trying to juggle a thousand different things. For the work that’s on the large side, that’s items that are above $7,500, we’re trying to put it into a prioritization scheme that is going to follow some criteria. Right now it’s very subjective. We have too many things to try to put into a precise scoring format, but eventually that’s where we’d like to go. But things like life, health, and safety; mission impact; impact on property loss and things like that nature all have to be factored into a prioritization scheme. With that we would make an initial draft of what our proposed priority would be. We are taking that to another forum where we have a cross section of representatives from the University. It is given a “sanity check” in this forum and reviewed, questioned, and decided; is this an appropriate priority for the University, trying to bring in all aspects and angles of the University to take into consideration? With that we would take appropriate recommendations up to the appropriate approval level which would include the Board of Trustees for projects that are over $250,000. Generally, as I mentioned before, on the right hand side of the slide I want to get into a disciplined process where we try to plan things out in almost a three-year format. We plan things in one year, we design it the next year, and we construct them in a third year. If we can get into a cycle like that it would be a very structured process to go through. An example of the priorities I put down at the bottom right hand side here just to give a feel for how we need to start viewing things. There are a lot of repairs out there that need attention, need the obvious priority, and need to go above and beyond typical new construction or renovations. When we have leaking roofs or air conditioners that are failing, that make buildings unoperational, and we need to make sure that those priorities are being appropriately considered before we worry about whether a space is outdated because it was built in the 1960’s for example. What we’re trying to structure is a five-year plan.

Mr. Heckmann drew the committee’s attention to an example of how he’s trying to lay out a scheme of how we might view things. On the top I illustrate the $250,000 level of projects. Those big projects are the ones that really need the structured plan design and construct sequence laid out in multiple years, and overlapping, so we can balance our workload appropriately. Below that we’ll fit in a wedge for what I’ll call
discretionary work, new construction and renovation work. Below that is where we need to make sure we fit into the budget appropriately; enough money for major repairs and of course the foundation for it all is the day-to-day maintenance that we have to do year in and year out. On my next slide, another way to view this scheme is by looking at it in a funding profile. This is how we might build a budget profile that is with the foundation of maintenance on the bottom so we make sure that we’re doing the day-to-day maintenance and not undercutting that. On top of that, maybe the smaller repairs so we can keep the building functional on a day-to-day basis and then start to build into the budget some investment for discretionary work, a small amount just so we’re knocking out some nice-to-haves and nice-to-dos, and then making sure that we’re budgeting of course for the major repairs, and on top of that would be the larger nice-to-haves, the larger discretionary work. Then when you overlay the realities of a budget profile and what the actual budget may turn out to be, that’s going to vary from year to year, and I understand that, for those projects that don’t make it by the cut line we’ll have to reprioritize those to subsequent years. That in theory is how I envision this working. I threw in some numbers of just our work in progress. You’ll see some to-be-determined blocks in there for our discretionary work, but we’ve got a pretty good handle on what we know of our repair demands right now. In the repair categories we’ve captured every project that we’re aware of and categorized them in the appropriate areas here. This represents about over 400 different line items of projects that we could identify and the estimates that we’ve come up with so far. Just to illustrate a little bit, in that FY16 column at the top, that $7 million represents what we’ve already started coming to the Board with. At the last cycle we talked about the Steven’s roof, our steam vault over at DuSable, the boiler repairs; all those things that we’re starting to bring to the Board is going to be a product of this process that we’re going through. As we go through the subsequent years, I anticipate coming back to the next Board cycle and presenting to you what that possible five-year picture might be for the $250,000 and above projects.

Mr. Heckmann continued, there’s different ways that we can carve up the data. This is one angle that I looked at, just dividing between where investments are starting to shape up between buildings and utilities or something other - right now that other represents parking lots and street work, but that’s one way of viewing how we can see things are shaping up. Another view is where the investments are going from a functional standpoint. Obviously, it doesn’t surprise me, a lot of projects are being identified for the steam work because we know we have a critical need there. Really, the takeaways I want you to understand today is that we do now have a deliberate process. It’s fundamental right now. It’s emerging and getting more fidelity as we go, but we are now differentiating repair work from other work so we can start to prioritize things in the right manner. We do have a rationale of how we’re proceeding to prioritize projects as we go through the process identified, and we are starting to build that five-year framework so we can do the proper planning, do the proper budget allocations, and then start to build it even more from there. I’ll stop with my presentation and see if there’s any questions.

Trustee Struthers commented. This is exceptionally good work. I’m really, really pleased to see where we’re at and excited for this to develop and mature. I think as we go about the year, to look at, from quarter to quarter, how many dollars we’ve spent in relation to the current year budget. I think you have a little bit of a nuance with projects that many be funded with debt maybe outside of that plan. I’m sure we can articulate that in some way. But I think this is exceptional work, and like everything else, I wish it was five years ago, but delighted that we’re here today. Thank you.

Mr. Heckmann added, there is a complexity to this that I’m trying not to get into; types of funds is exactly an area that makes it very complex.

Trustee Strauss stated, I’m also very pleased that we’ve gotten this far. My question is when will you be to the point where you’ll have real data for us?

Mr. Heckmann responded, I anticipate at the next Board cycle, in the August/September timeframe. At the next FFOC I want to bring to you that five-year picture of what $250,000 and above projects we would like to plot out. Whether it will be fully supported by a budget, that’s what I need to work out, but at least give you a tentative view of what we’re looking at.
Dr. Phillips added, it’s very difficult to fund projects if you don’t have the list of projects that need to be funded. By having the list, this allows us to also identify funding, budget for these projects, determine how much we can afford on an annual basis, and manage to that. That’s also the piece of this. First you have to have the list and the priorities, then we can take a look at how we fund that and how that fits into the budget.

Trustee Strauss agreed fully.

Trustee Boey commented, thank you. I’m delighted. I think it’s a great system. As we go along you’ll also help us in terms of preparing for budget on back up items, spare parts, and all that good stuff that goes with it, but I’m very pleased with it. Thank you.

Trustee Murer commented, when you present this to us in the next cycle as you indicated, at least for me, I think it would be important to know the difference between the projects that are funded through debt, through bonds, and what that time table is for implementation. I’d also like to have more conversation with Dr. Phillips in terms of, it’s a pipe dream to think we’ll ever get capital from the state; I mean those budgets don’t exist anymore; what methodology will we use forthcoming to identify monies for capital improvement, and you can either do it prospectively or retrospectively. Prospectively it’s just like a condo assessment, so you put so much money aside as a percentage of your total revenues and that’s the pot of money you have, and then you’ve got projects, and that’s all you can pull upon. Or you can do it the other way, you can get the projects, see what it is and prioritize it. I would be interested to hear more about that and your plans as we move forward dealing with capital issues and maintenance issues and really critical issues. We have to have a means in the budget that addresses how we’re going to maintain what it is that we have.

Dr. Phillips replied, this helps us make the very best possible use of every dollar. So, much like enterprise risk management, we’re prioritizing in terms of the greatest needs and trying to fund those first. The other thing this allows us to do is to develop a long term funding strategy to go with our long term capital plan, and it also facilitates the discussion with Catherine Squires and the Foundation as to which projects we might be able to find other funding for. It helps us with that conversation as well. Once again, you have to have this before you can have the funding strategy, but now that we do have this it allows us to do that in a more deliberate way to make sure that we’re using every dollar in the best way possible.

Trustee Murer continued, I think your point is extremely well taken, that perhaps there’s a new model of seeking out philanthropy especially when we’re talking about donorship to physical entities, rooms, buildings, whatever; and perhaps what we need to do is think through and build in a ten-year maintenance cost to it as part of the cost of naming rights. Probably the best example of that is the Buckingham Fountain. It wasn’t just the fountain, but the more important gift was the maintenance, the money to maintain that fountain for years to come. So maybe a new model that we’re looking at, and when we’re setting prices of naming rights on physical facilities, we may want to build that in as well.

Chair Butler asked for other comments or questions and thanked Mr. Heckmann. Can the committee members get the slides?

Mr. Heckmann will provide the committee members with a copy of the slides.

Chair Butler announced, we’ll now move to our schedule of action items for this afternoon’s meeting beginning with item 8b.

**Action Item 8a – Fiscal Year 2017 NIU Foundation Professional Services Contract**

Action Item 8a was removed from the agenda.
Action Item 8b – Fiscal Year 2017 University Outreach Education Centers Catering Services Contract Renewals

Dr. Phillips indicated that University Outreach Education Centers in Naperville is requesting permission to purchase catering services. Clients renting the education centers are charged a fee for events, and a portion of that fee allows the University to recover the full cost of the catering and expenses. This is down slightly from last year. This is the fourth year of five, one-year renewable options. The recommendation is that the Board of Trustees approve the expenditure authority for that amount.

A motion was made by Trustee Strauss; seconded by Trustee Boey.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

Action Item 8c – Intercollegiate Athletics Fiscal Year 2017 Secondary Student Health Insurance Contract Renewal

Dr. Phillips indicated that 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, and this insurance product has been designed uniquely and specifically for NCAA members. The amount that we're requesting is $315,000. This is the same amount requested last year. We request the Board of Trustees approve the expenditure authority for that amount.

A motion was made by Trustee Murer; seconded by Trustee Strauss.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

Action Item 8d – Intercollegiate Athletics Fiscal Year 2017 Air Charter Services for Football Team

Dr. Phillips indicated the need for Intercollegiate Athletics to purchase air charter services for the NIU football team. They will fly out of Rockford for games at University of Wyoming, University of South Florida, Eastern Michigan, and Kent State. A request for proposal has been received to determine vendors and pricing. Once an award is made, it will be advertised in the Illinois Procurement Bulletin. This is up slightly from last year due to the Wyoming trip. Going west is generally more expensive than any other direction. We are expecting the total of all the flights will be around $375,000 based on the documents that we have received. With regard to the Eastern Michigan trip, this is a mid-week trip, and travels to mid-week contests have been a consistent practice. We're requesting approval for the expenditure authority of $400,000 for air charter services for the football team for FY17.

A motion was made by Trustee Boey; seconded by Trustee Coleman.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

Action Item 8e – DoIT Security Hardware and Software Amendment

Dr. Phillips explained that in 2015 the Board of Trustees approved an expenditure of $2.9 million for the design, purchase, configuration, and installation of equipment serving three aspects of the core infrastructure, wireless services, and servers and network security appliances. This request, in the amount of $49,977, is to fund an overrun in the professional services cost associated with that work. This one-time expense reflects the need to change the original design due to errors found during testing prior to going live with the new system. No new net funds are being sought at this time. The University requests the
Board approve the expenditure authority in the amount of $2,985,343, which is approximately $50,000 more than the original request.

A motion was made by Trustee Murer; seconded by Trustee Strauss.

Trustee Struthers questioned, I’m trying to understand this. The opening sentence in the third paragraph reads this no-cost request is to increase the amount of the open order. I’m just confused by this. Is there an increase in the cost or is there not an increase in the cost?

Vice President for Information Technology and Chief Information Officer Brett Coryell responded, the total amount of money spent by NIU will be $50,000 more. I’m not asking anyone else to fund that. I’ll cover that out of my departmental budget. It’s just that because the request exceeds the original authority, we come back to the Board for approval of that request.

Chair Butler added, I think there could also be a misunderstanding. Trustee Struthers you read I believe from the other action item. You read from item 8f.

Trustee Struthers replied, that might do it, okay.

Mr. Coryell continued, we won’t want any new money for the other one either as long as I’m up here.

Trustee Struthers commented, it says amendment adds $100,000, and then it says no new cost in the next one.

Mr. Coryell responded, just remind me which one is the next one, the telephone billing error?

Dr. Phillips interjected, network voice trunking services and local domestic long distance service.

Mr. Coryell continued, this one is the result of a billing error by one of our vendors, Frontier Communications. The request here is to go ahead and make corrections. Again, I don’t need new net money approved from anyplace. I cover this in my own departmental budget. This amendment is just to correct errors in billing that have already occurred.

Trustee Struthers asked, again, a little bit of clarification, is it a classification issue or is it truly...

Mr. Coryell responded, yes.

Trustee Struthers questioned, okay, it’s not $100,000 more? It’s just simply from one bucket to another?

Mr. Coryell answered, that’s right. Frontier has billed one account instead of two in error, and that’s been going on for 22 months. As we’re cleaning up billing records inside my division, we ran across this error and seek to reclassify that.

Trustee Struthers thanked Mr. Coryell for the clarification.

Chair Butler asked Mr. Coryell, while you’re at the podium, no net new funds are being sought at this time in item 8e? That’s what you mean by that phrase?

Mr. Coryell answered, that’s correct.

Chair Butler asked for other questions or concerns. There were none. We are now voting on 8e and only 8e. All were in favor. None were opposed. The motion passed.
**Action Item 8f – DoIT Network & Communications Services–Voice Trunking Services and Local Domestic/Long Distance Service Amendment**

Dr. Phillips indicated that this is an amendment to the previous agreement. This contract will be rebid over the summer. In order to correct a billing error, we’re asking for approval of the expenditure of $1.5 million, which is $100,000 more than the originally approved amount.

A motion was made by Trustee Strauss; seconded by Trustee Marshall.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8g – Fiscal Year 2017 DoIT Document Services and Materials Management Printing Paper Open Orders Contract Renewal**

Dr. Phillips indicated that this is a standard contract for the purchase of paper to support our printing services. An RFP was conducted during fiscal year 2015. As you will note, the amount has declined by $250,000 since the request from last year. We have made great strides in reducing the amount of paper and printing that we do in order to save resources. We are asking for approval of the expenditure of $500,000 with Lindenmeyr Munroe for this purpose.

A motion was made by Trustee Strauss; seconded by Trustee Coleman.

Chair Butler asked, how does this play out on the ground? Do students have the capacity to print a certain number of pages from computers throughout the University?

Mr. Coryell responded, the students have historically had a printing quota, for at least five years - I can’t go past that just in the institutional recollection. However, a deal was struck, I suppose maybe three years ago, which pre-dates me by a year, so this is hearsay. A deal was struck to gradually winnow down the student printing quota because it was essentially funded from our lab refresh account. There was no separate set of funds to pay for student printing, in the amount of about a quarter of a million dollars per year. So rather than continue to take money from student lab refresh, that was to winnow down over the course of three years. Last year was to have been the final year for a student printing allotment of a free printing quota. We extended that by one year in response to a student petition. But this year, at the end of the summer term, the student printing quota will go away, and the students will pay for every page that they consume where they’re using a central printing service. Printing on campus is not centralized, so some departments or colleges may still offer a quota, but my unit will no longer be offering that quota for the majority of undergrad students.

Chair Butler asked, so will they pay for printing?

Mr. Coryell answered, yes. They’ll pay for every page. So instead of getting the first $7.00 worth of printing free and then paying for every print after that, they pay from print number one starting in the fall.

Chair Butler questioned, what do you mean when you say a deal was struck?

Mr. Coryell replied, perhaps prejudicial language on that, so to be more clear, I believe it was from my predecessor and the former CFO reaching an arrangement.

Dr. Baker commented, I wondered if Brett could talk about the Green Initiative that the students have underway.

Mr. Coryell obliged, actually there was a petition on change.org that asked that the students keep their printing quota or maybe even increase the printing quota instead of having it continue to decline over a period of years. So I got in touch with the Student Association and had a really productive dialog with...
them. I went to a couple of their meetings, and as a result of that, I agreed to go ahead and extend the print quota for one more year - the year that we’re currently in. They’ve also taken that, and they’ve realized a lot of students had wasteful printing; a lot of departments had wasteful printing; maybe they felt that some faculty required them to print more materials than they should; and they’ve created a platform called the Green Initiative where students have been trying to talk about what a real academic use of printing ought to be, should be, where it could be reduced, and that’s been an interesting platform. I credit Dillon Domke, who’s not here today. He and I had some good dialog around that, and he’s talked about that in University Council a few times. In addition, we have an initiative going on right now that we’re in the middle of on campus where my division is rolling through department by department to try to evaluate the number of printers that we have on campus. There is currently almost one printer for every employee that we have. That’s way too many printers, and we print way too much. My division has gone, Eric Weldy’s division has gone or at least his main office downstairs has gone, the president’s office and the provost office are underway, and throughout the course of the next nine months or so, we’ll hit the entire campus and present a choice to every office to say we think that you could get by with these number of printers in these locations, and if you do, you’ll save X dollars per year based on what we see as normal printing costs. Do you want to keep the printers you have, or do you want to adopt that? That would be a local business choice for them. The total impact we think, if we had full uptake, would be about three-quarters of a million dollars per year in reduction of printing costs.

Trustee Zanayed asked, how much printing would cost per page at the new rate?

Mr. Coryell responded, I think the black and white cost per page remains at 5, 6, or 7 cents, in that range; and I think that the color cost is going down maybe from 35 cents to 20 cents. I’m pretty fuzzy on those numbers. What I’d really like to do is just find out the real numbers and get them to somebody so you could have an answer. Black and white is staying the same, color is coming down.

Trustee Zanayed continued, I think as you may have mentioned Speaker Domke and his concerns for the fact that some professors require students to print a lot of things. In my undergrad classes I remember having to print a lot of papers. I think that it will be untimely for us to pass something like this at this point with the students when they are not in session, when no students are here to be represented, to be heard for something that’s going to affect them to this magnitude. If there’s a motion on the table, I’d like to motion to table this for another time when students are in session.

Chair Butler asked, there is motion on the table, now there is a motion to table the motion. Is there a second to the table motion?

Dr. Baker questioned, can we be clear what the motion is, because we’re buying paper.

Mr. Coryell explained, the decision to remove the student printing quota has already been made. That’s done and finalized. That’s not part of the request. The request here is to buy the paper for those printers that do remain on campus. Some of this is for personal printers and copiers in individual offices and some is paper that’s actually used and stored by the high-speed document printing operation called Doc Services. They do things like printing the admissions guidebooks, and we need the paper for that as well. There’s nothing in the motion that’s on the table, or at least in my request, there’s nothing that deals with whether students have a quota or not.

Trustee Zanayed corrected, well then I withdraw my motion, however I do stand by my comments that there is going to be some uproar from students when they get back and hear that they’re going to have to pay per page.

Dr. Baker commented, that’s been a dialog for the last two years. It’s been much in the public. This isn’t a surprise to anybody. It may be in Law School because you were really busy.

Trustee Zanayed added, and we have free printing in the law school.
Mr. Coryell added, Education has highly-subsidized printing as well. Most of the other colleges, I understand, do not.

Chair Butler noted, the motion before us is to approve this recommendation on the page. I opened the door to your motion. I was just curious as to how this was actually playing out on the ground. I didn’t have any interest in stopping, it but thank you for your answers.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8h – Waste Management and Utilities–Fiscal Year 2017 Solid Waste Removal and Recycling at NIU DeKalb Contract Renewal**

Dr. Phillips indicated we are requesting permission to issue open orders for the removal of solid waste and recyclable materials for the upcoming year. This is the eighth year of nine renewable options for this agreement. It is consistent with the amount we requested last year, and we request the Board of Trustees approve an expenditure authority in the amount of $420,000 for this purpose.

A motion was made by Trustee Coleman; seconded by Trustee Strauss.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8i – Fiscal Year 2017 EMC Maintenance Renewal**

Dr. Phillips explained that the Division of IT operates the core infrastructure; stores and provides backup for the University’s core data. Our primary storage cabinets used for this purpose are nearing the end of their useful life. Our backup systems are already past their recommended life. This request is to fund the maintenance of our storage and backup systems, assuring that PeopleSoft, Blackboard, and other enterprise systems can stay available as they age. However, this expense does not negate the need to fund the capital expense of replacing this equipment, and we will bring that request back to the Board as soon as we have the funding available to support that. We are requesting approval of expenditure authority in the amount of $397,000 to maintain our primary storage cabinets that are nearing the end of their useful life.

A motion was made by Trustee Strauss; seconded by Trustee Murer.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8j – Grant South Steam Vault Replacement**

Dr. Phillips explained that the existing underground concrete steam vault south of the Grant complex is at risk of collapse and requires replacement. During routine inspection, we observed the entire underside of the concrete roof slab had delaminated and fell to the vault floor exposing severely corroded steel reinforcing bars. The structural load capacity of the roof is significantly reduced and is a safety hazard. The area is now closed and barricaded as a safety precaution. The existing vault will be demolished and replaced with a reinforced cast-in-place concrete vault. This vault is expected to last 50 years under similar conditions. We are requesting the Board of Trustees approve the total project budget of $750,000. We will then initiate design efforts to develop plans and specifications for this construction effort.

A motion was made by Trustee Strauss; seconded by Trustee Boey.

Trustee Struthers questioned, as a matter of protocol, I assume, while it doesn’t necessarily say, the RFP process will be utilized to choose the engineer?
Dr. Phillips confirmed, absolutely.

Chair Butler asked for other questions or comments. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8k – Holmes Student Center Phase I Redevelopment**

Chair Butler began, now we’re going to slow down a little bit. Obviously we’ve heard quite a bit on this subject. We’ve received as a committee several, at least two presentations. I’ve asked a significant number of questions but I do want us to have the opportunity to continue that discussion if we need to. So let’s begin with a description of the project.

John Heckmann presented details for Action Item 8k. This has obviously been a very long process to go through, but it’s a big investment, so we need to make sure we are making a good decision as we proceed on this. I want to walk everyone through where we’re at in the stage of developing our plans for this project and request permission to proceed as I will summarize at the end here. Quickly, I’m going to go through a recap of what we’ve been through, just to refresh everyone’s memory, and then we’ll talk about the actual physical renovation plans and concept that we came up with, and then tie it in with the business strategy that we’re envisioning to go forward with, because the two pieces really need to go together for this product to be appropriate. The timeline refresh again, this was a long process that we started way back in 2014. We went through a very elaborate and complex process of gathering information of what was needed, what was wanted, really soliciting the input of literally hundreds of people - students, faculty, and other employees - trying to get an idea so it’s not just one person’s opinion of what we want the Holmes Student Center to be. That was a very involved process to go through all that. Then, as you just mentioned, we had a couple sessions of briefing the Board last summer on where we were and going through the conceptual process. Since then we’ve been trying to get our arms around those products that are coming out of the concept development with our A&E firm and partners and also trying to get our arms around what is the business strategy that might be best going forward so we can really have a comprehensive plan going forward and what our options are with that. I want to remind everyone that we are just at the early stages of a very long process. We’re finishing the concept design phase, looking for your approval to move into the design stage and that’s where we’re going to get into the details of really the nitty-gritty of what we want to do inside the building. What the concept has been able to do for us is really get our arms around the magnitude of what we would like to see happen at the Holmes Student Center. There’s a large collection of identified deficiencies and desires and improvements that would like to be seen made to the structure. This represents over $100 million worth of desires, improvements. We don’t have $100 million to invest in the building all at once, so we have to figure out some way of prioritizing what do we work on first. Everything from space improvements of outdated spaces to updating the décor to changing the layout; I’ll walk through some floor areas that are very congested and compartmentalized. We are looking at even possibly new space with a new wing being added on to the building to general repairs that are very necessary for the building to remain functional; and then ancillary issues like parking. So adding all that up comes to over $100 million worth of identified needs.

Mr. Heckmann continued, what do we do with all that requirements, and which ones do we tackle first? We stepped back and looked at ways we can compartmentalize or bucket these various requirements into various categories. I’ll simply lay them out. There’s a category that we have funds, that’s the Build America bond category. We have a couple categories where we might be able to get funds from maybe leveraging industry in a partnership or going after donated money. Then there’s the category of “we’re just going to have to wait for money” - those are the subsequent priorities that we’re going to have to realize just can’t be done at this time. We went through a systematic process of trying to determine what belongs in each category, and stepping back, the priority for the Holmes Student Center seemed to be obvious to us. It’s students. What we are proposing is that we focus the available money, the Build America bonds, on students predominately. The student reintroduction, bringing the student leadership back into the Holmes Student Center, reinvigorate those spaces that are really going to draw students back in; that’s the food, that’s the entertainment predominately that students want to have and are going to draw them into the
building. Then of course we have to do the general repairs to the building because we have to keep the building functional. So that’s what we’re proposing to be the core piece of the Build America bonds scope that we’re going to tackle in that bucket. Other areas that we’re going to look at to possibly leverage industry could be the retail operations where we might be able to draw in their capital investments in partnering with that business operation. Of course we have been doing some micro-food venues. Currently we’re doing that with Subway, and we might be able to expand that with further micro-food venue companies out there. Lastly, if we can draw in donation money, and working with the Foundation we have opportunities that might be name worthy, we’ll try to draw on that to possibly bring in some more money to build out something like the interface with the MLK commons area that we were envisioning or an entire new wing to the building that would support other student venues. And then the subsequent priorities, of course, we just have to realize there are going to be some things that we have to wait on and wait for an opportunity for other money to become available or other strategies to become available to knock these out. There’s conferencing opportunities in the upper floors. Those floors are fairly well opened, they might be outdated, but they’re functional right now, and maybe that’s a logic to have those as a subsequent opportunity. With the hotel renovations and other kitchen renovations and the like, there might be a strategy to lay out a piecemeal approach to that, and of course the parking deck would be a nice thing to have, but obviously we need space and we need money to make things like that happen. So that’s the logic that we went through to try to realize what it is that we can do at this time with the available funds that we have. We decided to focus on that ground floor. This is the floor that probably has the most challenges. It is the most compartmentalized floor. It’s the floor where we have the food, the retail, and the entertainment connections that the students most want to see. This is the floor that has the most opportunity for a big impact because it’s the worst of a mouse-maze sort of infrastructure laid out on this floor. This is where we will attempt to take this and turn it into something like this. This is very conceptual, very fuzzy. I don’t want to lay out details because the details are going to be worked out in the design stage as we get into that next phase, but this conceptually is what we’re looking at. It’s opening up that previous picture of a very compartmentalized space, making it more inviting, more welcoming, being more of a mall-like or even airport-like atmosphere where there’s big hallways and lounges and then having that retail interface and then of course the food interface, and more importantly tying in that food interface that is currently the Blackhawk and whatever we name it in the future, but tying it in with the Huskie Den entertainment in a more effective way. Right now they are very much separate and very hard to get between those spaces.

Trustee Boey added, I always relate to my experience of watching the first days when the freshmen and their parents show up and we jam them into a sardine can, and I’m saying to myself when they walk out of here, they may never come back. Have we considered, in the phase of this, the main floor or the first floor whatever it is, how to make that better? Do you have it in there? I don’t want to short-circuit your presentation, but I’m asking if you have it in there that is great, when we come to it, we’ll take a look at it.

Mr. Heckmann responded, if I understand your question, I may have to double back with you and talk to you a little bit more to make sure I understand your question there, but we are right now we’re focusing on this floor. Where we bring family and students for that orientation might be a combination of floors, but this will be one because this is where the food’s going to be. This is one where we’ll want to show the students and their parents.

Trustee Boey questioned, what we’ve been doing is on the same floor as where the registration desk is for the hotel?

Mr. Heckmann replied, that would be the next floor up.

Trustee Boey confirmed, that’s the next floor up.

Mr. Heckmann answered, it is.
Trustee Boey commented, I thought this is a chance – because that's too cramped. This is a chance of opening it up. That's the reason I don't want to interrupt you in terms of your thought process, but I want to be sure we recognize there's some discussion that needs to be to address that subject.

Mr. Heckmann responded, I'll take that back. It's going to be a challenge obviously to fit the scope of what we want into the available dollars, but I get your point. Again, this is what we're going to try to do to what we think is the most challenged floor that we have. The upper floor is a little bit more opened up, but it's not as bad as this ground floor. This ground floor is very compartmentalized and hard to find your way around. This is where we want to focus the attention. And again the other feature I want to point out is that opening up of this floor to the MLK commons. Right now you can't get there. You've got to go in the formal doors that are on the upper level or on the side level. This is going to open up a nice patio atmosphere to the MLK commons, give something externally to see that's new and different for this building. And then I'm also going to try to make sure that we reserve enough money to do appropriate landscaping around the exterior, dress it up, the signage and everything, to let people know there's something new and different inside this building. I think those are the points I want to make on that.

Mr. Heckmann continued, the business strategy, very briefly I want to touch on this because it is important that we understand how we go forward because it plays into the strategy of what our approach is and our renovations. In the retail spaces we thought, "the industry is changing, particularly with the bookstore operations," and I think we have to face the fact that bookstores are evolving - more online book sales and the like. We're going to have to face the fact of how that is going to integrate into our operation here. We also realize from the surveys that were done previously that there is a desire for convenience retail items and not just spirit gear. Trying to integrate all of these things into a retail strategy, we thought we have an opportunity here to leverage industry and they could possibly bring in capital investments that would allow our dollars to go further and maybe address some other spaces throughout the building. This is one strategy that we'd like to pursue with the retail section in particular, and one possible angle might be to target local companies. Because we have a cyclical nature of our operations that are somewhat seasonal and the summer is low and the winter is low, maybe local companies can best adapt to that seasonal nature of our operations. The food section, this is one where we had an idea where we thought we could integrate the food operations with the overall campus-wide dining operations and consolidate into one unified strategy for delivering food services across the campus. This might be an opportunity to leverage overhead that we already have invested with our dining operations and the other residence halls and even integrate meal plans into our strategy so it will entice students to want to come to the Holmes Student Center if they know they can apply it to their meal plan for example. During downtimes, low weekend periods or holiday periods, we might very well close down some residential hall dining and draw the students into the Holmes Student Center that may be remaining here for the weekend. So there's a strategy there that we'd like to play with the food section and keep that operation in house right now and leverage that strategy. So in the end, that brings me to reiterate the request that we have in front of you and that is to proceed with a Phase I strategy for the Build America bonds that we have available which is roughly $20 million and proceed with the design for those items I have outlined here; the Student Association reintroduction, the space for a possible outsourcing of micro-food and retail operations, the renovation and really the integration of the Blackhawk and the Huskie Den to make that more attractive to students, to open up the flow of that congested area of the ground floor and make it more attractive, the general building repairs that just have to be done to keep the building functional, and that MLK tie-in to the commons area which is going to be that outward visible exterior improvement, as well as the other landscaping and signage improvements, it's going to be the core of what we're asking for in this design effort. We would also pursue vendor involvement and of course the retail operation, as I mentioned. We'll find out who is interested in this market, who is interested in partnering with us and possibly bringing capital investment with them, and then finally the donor support, is someone going to be wanting to put their name on the MLK interface connection that we have with the commons or even bring more dollars to possibly invest into a whole new wing. But in the end, we want it to be a student-focused effort, at least in this initial phase, because it is the Holmes Student Center. We really want it to be an attractive, inviting space for not just the students but for all employees and maybe even the community, to draw them in for their interchange with the students and the atmosphere at the University. With that I'll end my presentation and see if there's any questions that I can address.
A motion was made by Trustee Zanayed; seconded by Trustee Boey.

Trustee Murer asked, I just want a clarification on the funding which is your first point. This $20 million is through the Build America fund, and that’s one of those use it or lose as well right?

Dr. Phillips responded, yes. This is the last portion of the Build America bonds that we have not yet spent. It is important that we spend them. This will allow us to go ahead and obligate those funds. I have to be clear this also requires – we’ve encumbered $1.7 million for parking lot repair, the request also includes that we unencumber those funds. We have $18.6 million in the Build America bonds, we unencumber those funds, that gives us the $20 million. We’ve not yet started that work, and we can take care of it other ways.

Trustee Murer continued, but again just briefly, clarity, the funding for this the $20 million is in the bonds?

Dr. Phillips confirmed, correct, it does exist.

Chair Butler pointed out that the funds are not really “use it or lose it,” that we could “use it” in some other way, but there is, we’ve been advised, a time sensitivity to it. It’s been on the books for a while.

Trustee Zanayed commented, I just want to commend the work and leadership that has been done in this redevelopment of the student center. I think I speak for many or all students that this is long overdue but also much appreciated. It’s going to make NIU very competitive and attractive to students. Thank you very much.

Trustee Marshall asked, the phase that you’re talking about deals with the physical structure of the current Holmes Center. I’m referencing the area outside called the commons. Is there any impact, construction of any type that impacts that green space in this phase?

Mr. Heckmann responded, let me back up a couple slides here. Where we indicate on the right hand slide here that interface opening that we would be envision building that doesn’t exist right now. The current doors on this south side are up here, this ground floor we would have to dig out some area here, so there would be some construction to insert this patio atmosphere, but I think it would be a nice complement to the MLK commons area already.

Trustee Marshall continued, okay, is that the only thing it would impact in this phase?

Mr. Heckmann answered, to any significant point, yes.

Trustee Strauss commented, when we get to that point, I would like to request a roll call vote on this and the next two agenda items please.

Trustee Coleman asked, pertaining to one of the future phases around the hotel, and I’m a little naive about how we running the hotel, do we have a partnership that’s running the hotel? I didn’t see anything in terms of possibly looking for a partner to build out the hotel and use their capital for the hotel.

Mr. Heckmann replied, right now we run the hotel. What we do in the future is the art of the possible and we just need some more time to evaluate our options and see what might be possible. Would a partnership be a viable option or do we do something else? I think we just need more time to evaluate that.

Trustee Struthers, added, I’ve come a long way on this. I was not very much in favor of this. I think we have a limited amount of money, and if you put it on a table right now, and you say, “boy, given the headwinds we have today, this is super critical that we deploy these dollars in the most effective and productive way that we can within the limits of what the bond allows us to,” I get it. I commend the staff on the kind of conclusions you’re coming to. I also respect the fact that a huge amount of input came into this from all facets of the University, and we have to regard that. A few pieces of that, I love the language
that is off on the right, and I think if we can keep that spirit and scope, with student-focused improvements, attractive, inviting atmosphere of student, staff, and community. I think it’s very, very, very important that the outside is transformed in this process within some constraints, and John you mentioned that, but with architecture and signage and lighting and parking. I think it is critical, even though it’s not in this scope. I think, in some way, shape, or form, for this to be when a prospective student or a student of the university is on campus, they feel a good vibe when they see this from the outside and on the inside that you have the most attractive and inviting place on the inside, but without the outside we would lose a lot. So I think that that’s critical. I just want to be on record of that. My final comment would be with respect to the RFP for architecture and engineering work on this, this area has come under a lot of scrutiny, and I just want to be certain on record that we go about this with no crafty language at all, that this is opened up to the general public, and it’s a fair and open process for the bidding of the architecture and engineering work.

Chair Butler asked for other comments or questions. I think this is a great project. Thank you for all the hard work. We truly appreciate the fact that you continue to go back, and Dr. Phillips as well, and answer a lot of questions and rethink the concept, and you didn’t just take what was handed to you when you came on board, but you really worked it. I think on behalf of the committee we very much appreciate that. So thank you.

Trustee Strauss requested a roll call vote. Trustees Boey, Coleman, Marshall, Murer, Struthers, Zanayed, and Chair Butler all voted yes; Trustee Strauss abstained. The motion passed.

Chair Butler thanked the committee. That was a long and developing project. I appreciate your patience and time.

**Action Item 8l – Zeke Giorgi Law Clinic Lease Renewal**

Dr. Phillips indicated that we have a legal clinic located in downtown Rockford that provides legal services primarily to individuals who may not otherwise be able to secure legal advice. This is staffed by third-year law students from the College of Law who assist with legal representation under the supervision of staff who are licensed attorneys. This is the second of two, three-year renewal options in the amount of $319,464, and we request approval of expenditure authority to renew the lease.

Chair Butler questioned, that’s a fairly specific number, are you sure?

Dr. Phillips confirmed, I’m absolutely sure.

A motion was made by Trustee Boey; seconded by Trustee Zanayed.

Trustee Strauss requested a roll call vote. Trustees Boey, Coleman, Marshall, Murer, Struthers, Zanayed, and Chair Butler all voted yes; Trustee Strauss abstained. The motion passed.

**Action Item 8m – Real Property–Lease for School of Art**

Dr. Phillips explained that the University is currently leasing an art studio space to support 3D graduate art programs. The lease payments will be funded through existing allocations to academic and administrative units. The lease amount is for one, five-year renewal option which would begin on July 1st. The renewal amount is $479,940, and we request approval of expenditure authority to enter into a lease for that amount.

A motion was made by Trustee Murer; seconded by Trustee Boey.

Trustee Struthers stated, I’m familiar with this property, I’ve never been inside it, but I understand it’s very functional, and it’s been utilized effectively by the department for a long time. It’s just in a very odd place, and I think about trying to engage the University with the community, did we explore other options. I realize the price looks very, very reasonable as well, but did we explore other options like the new library
and that sort of thing downtown? It would be great to have the art students mingling in right with those folks. I’m curious.

Dr. Phillips replied, we are looking at all our leasing, leased properties. We’re looking at opportunities to reduce our costs and just as you say, better position the University within the community. This is one of those areas, and we’re looking at this as we enter into this lease going forward to determine if there are better ways to address this same requirement. It is very much something that we talk about on a daily basis.

Trustee Struthers commented, there are some significant vacancies downtown and such for future thought.

Dr. Phillips agreed, absolutely.

Trustee Strauss requested a roll call vote. Trustees Boey, Coleman, Marshall, Murer, Zanayed, and Chair Butler all voted yes; Trustees Strauss and Struthers abstained. The motion passed.

**Action Item 8n – Fiscal 2017 Material Management Commodities Open Orders**

Dr. Phillips explained that this is a request to purchase commodities for the campus departments such as janitorial supplies, non-stock office, and computer and print supplies. These are IPEC vendors through the state IPEC contract. Last year the expenditure was $1.45 million. This year we’re requesting that the trustees approve expenditure level of $900,000 which is roughly a half a million dollars less than we requested last year.

A motion was made by Trustee Strauss; seconded by Trustee Boey.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.

**Action Item 8o – Fiscal Year 2016 Internal Budget Amendment**

Dr. Phillips indicated that the last item is the fiscal year 2016 internal budget amendment. As you recall we brought a provisional budget to the Board last September with the expectation that we would have received state funding by this point in time. That budget was based on state revenue of $63 million. We have only received funding of $26.4 million, and while we have reduced our expenditures to the extent that we possibly can, unless we receive additional funding by the end of the year, our expenditures will exceed our revenue. We are requesting authority to spend up to the level of $419 million, which is the expected amount of our expenditures if we continue forward as projected. This shortfall will be covered by our working cash funds, working capital. Once we start to receive tuition and fee funds in the fall, we will make up that shortfall, but we are still hopeful at this point in time that in the next couple of weeks we would in fact receive additional funding from the state. We are certainly eagerly anticipating an appropriation for fiscal year 2017 as well. What we are requesting is spending authority up to the $419 million level, which equates to what we expect to have in expenses for the remainder of the year.

Chair Butler asked, just a technical question as to whether or not you’re asking for this specific amount or $419 million?

Dr. Phillips responded, we’re asking for $419 million. Based on our current projections, that is the expectation for the amount that we will actually spend for this year, which is above the level that was approved by the Board in September.

A motion was made by Trustee Strauss; seconded by Trustee Coleman.

Chair Butler asked for questions or discussion. There were none. All were in favor. None were opposed. The motion passed.
OTHER MATTERS

There were no other matters discussed.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee will be Thursday, August 25, 2016 at 12:30 p.m.

ADJOURNMENT

A motion was made to adjourn by Trustee Murer; seconded by Trustee Coleman.

All were in favor. None were opposed. The meeting adjourned at 3:26 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.
FISCAL YEAR 2018 BUDGET GUIDELINES

Background Information: Each year, at this time, staff seeks the Board’s approval of the budget request guidelines that will be used to develop the University budget request for the upcoming fiscal year. This is the first step in the state budget development process which will continue throughout the next 9 or 10 months. This year, during the FY18 budget development process, a number of significant events and issues will play a major factor in the outcome of the University’s final budget for FY18. The Budget Session will likely focus on the tax increase issue and possible action on the current year budget. Depending on the outcome of legislative debate later this fall, taxes, pensions, and budget issues are the topics likely to dominate the spring 2017 session.

In FY17 the University, according to the Board of Trustees approved guidelines, submitted a budget request of $93,862,600 to the IBHE. This was based off of the FY15 revised appropriated budget of $91,092,700 plus the approved increases for salaries, utilities, library/technology expenditures, program priority requests, deferred maintenance, and general cost increases. The guidelines recommended by the University for Board of Trustees approval represent a return to the FY15 revised appropriation level.

FY 2018 Budget Request Guidelines

Overall return to revised FY15 funding level of $91,092,700.

This includes $2,535,900 in Program Priority Requests: To continue programmatic efforts to enhance and strengthen academic commitments in education and off-campus programs in conjunction with the Program Prioritization Initiative the following have been identified as the top priorities:

- **$764,200: Teacher Preparation-STEM Areas.** This initiative will provide opportunities for the professional development of practicing teachers in key science, technology, engineering and mathematics (STEM) areas. Preparing “highly qualified” teachers in the STEM areas will improve the competencies of high school graduates who enter higher education and increase baccalaureate degree completions.

- **$554,900: Nursing and Medical Laboratory Sciences.** To provide the resources needed to increase enrollments and the numbers of degrees awarded in nursing and medical laboratory sciences, which would contribute to the key workforce needs in the State of Illinois.

- **$613,800: Health Information Management.** To support the development of a new degree program that exists at the intersection of information science, computer science, and health care. A Health Information Management degree will provide undergraduates and graduates with the skills needed to enter high demand health fields dealing with the acquisition, storage, retrieval, and use of information related to health and health services.

- **$603,000: Expanding Offerings of Industrial & Systems Engineering and Mechanical Engineering Programs with Pathways with Community Colleges in the State of IL.** To support these priority programs, specifically with a 2 + 2 pathway from local community colleges. The proposed expanded programs will provide an opportunity to attain skills to qualify them for high-skill jobs in different sectors including advanced manufacturing, health care, distribution/logistics, and financial sector jobs.
In addition to state funding support, the University will also seek reforms that impact University resources but are considered non-budgetary in nature. Staff will work with the IBHE, the Governor’s Office, legislators, and other institutions to seek relief from unfunded mandates and burdensome regulations and requirements related to procurement and civil service. In short, more flexibility is needed in order to adapt and thrive in today’s environment.

**Recommendation:** To develop the FY18 budget request, the University recommends Board of Trustees approval of the budget request of $91,092,700 in order to ensure the timely preparation and submission of the University’s FY18 detailed budget request to the IBHE.
FISCAL YEAR 2018 IBHE CAPITAL BUDGET REQUEST

Summary: The Illinois Board of Higher Education (IBHE) Capital Budget Request is submitted in the fall prior to the budget year in order to meet IBHE and state capital project review and approval submission schedules. The Capital Budget Request consists of two principal categories of projects requesting state funding support and a third category that provides notification of anticipated non-instructional projects that might eventually require specific IBHE approval.

Requests for state funding support, indicated in table C101, include regular capital projects which represent major investments for new construction, renovation, and repairs; and capital renewal projects which lists repair and renovation projects with estimated budgets in excess of $100,000. When funding for this program occurs, specific approvals are provided for the regular capital projects and lump funding is provided for capital renewal projects. While changes in priority for regular capital projects may affect the current standing of these projects within the integrated IBHE project listing, capital renewal projects do not have this restriction and have been prioritized to generally conform to current developments with the multi-year major repair investment plan. Table 17 is an excerpt from the FY16 IBHE budget recommendation showing the integrated priorities of capital projects. NIU’s first four projects are listed as priorities 2, 13, 19, and 28.

The non-instructional capital project listing, indicated in table C105, pertains to an initial notification step for eventually requesting IBHE approval for anticipated projects in excess of $2,000,000. The second step is a specific project request with accompanying scope narrative and background which would be submitted for IBHE approval subsequent to Board of Trustees project approval.

Recommendation: The University requests Board of Trustees approval for the proposed Fiscal Year 2018 Capital Budget Request submission. The request will then be submitted to the Illinois Board of Higher Education for consideration and inclusion in the statewide Fiscal Year 2018 IBHE Capital Budget Recommendation.
TABLE C161
SUMMARY OF BUDGET YEAR CAPITAL IMPROVEMENT REQUESTS
LISTED IN PRIORITY ORDER
NORTHERN ILLINOIS UNIVERSITY

FISCAL YEAR 2018
CAPITAL REQUEST
(IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th>UNIVERSITY</th>
<th>PROJECT DESCRIPTION/ BUDGET CATEGORY</th>
<th>TOTAL ESTIMATED PROJECT COST</th>
<th>STATE FUNDS</th>
<th>NEW in FY10 (see note)</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>TOTAL YEAR</td>
<td>PRIOR YEAR</td>
<td>FUTURE YEAR</td>
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<td></td>
<td>BUDGET REQUEST</td>
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<td>YEAR</td>
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<td>(Remodeling &amp; Rehabilitation)</td>
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<td>(Building)</td>
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<td>Academic Buildings HVAC &amp; Window Replacement</td>
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<td>(Building)</td>
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<td>9</td>
<td>East Chiller Plant - Chiller Capacity Expansion</td>
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<td>(Building)</td>
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<td>(Building)</td>
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<td>$354,925.4</td>
<td>$331,956</td>
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**TABLE C101**

SUMMARY OF BUDGET YEAR CAPITAL IMPROVEMENT REQUESTS

LINTED IN PRIORITY ORDER

NORTHERN ILLINOIS UNIVERSITY

FISCAL YEAR 2018
CAPITAL REQUEST

(IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th>UNIVERSITY</th>
<th>PROJECT DESCRIPTION/ BUDGET CATEGORY</th>
<th>TOTAL ESTIMATED PROJECT COST</th>
<th>BUDGET YEAR REQUEST</th>
<th>PRIOR YEAR</th>
<th>FUTURE YEAR</th>
<th>NON-STATE FUNDS</th>
<th>HEALTH, SAFETY</th>
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<td>R1</td>
<td>(Undertaken 2017) Replace Boiler Number 3 - West Heating Plant</td>
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<td>R2</td>
<td>(Undertaken 2014) Main Steam Tunnel Rehabilitation</td>
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<td>R3</td>
<td>(Undertaken 2015) General Masonry &amp; Stone Restoration / Replacement - Adams Hall, Still Hall &amp; Misc.</td>
<td>397.44</td>
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<td>(Undertaken 2017) Sioux Passon Hall Painter Restoration</td>
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<td>R5</td>
<td>(Undertaken 2017) East Heating Plant Coal Nuts &amp; Masonry Repairs</td>
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<td>R6</td>
<td>(Undertaken 2017) ADA Updates</td>
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<td>R7</td>
<td>Gilmore Hall Roof Replacement - Phase II</td>
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<td>R8</td>
<td>Zuleka Hall - Masonry Joint Repair / Trucking</td>
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<td>R9</td>
<td>(Undertaken 2015) Replace Water Main Central Campus</td>
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<td>994.06</td>
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<td>R10</td>
<td>Stormwater DM Drainage/ Infall Replacement</td>
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<td>R11</td>
<td>Mow Building Roof Replacement</td>
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<td>R12</td>
<td>Dukler Campus Senior Main Repair</td>
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<td>(Undertaken 2016) Dwinell Hall Painter Restoration</td>
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<td>R14</td>
<td>Gilmore Hall Pool Repairs</td>
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<tr>
<td>R15</td>
<td>Calum Hall Store Supply Replacement</td>
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<td>R16</td>
<td>Anderson Hall Pool Repairs</td>
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<tr>
<td>R17</td>
<td>Loras Tall Health and Life Safety</td>
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<td>R18</td>
<td>Ashleon Floor/ UIC Statement</td>
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<td>R19</td>
<td>Broadcast Center Roof Replacement</td>
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<td>R20</td>
<td>(Undertaken 2014) Music Building Roof Replacement</td>
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<td>-</td>
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<td>R21</td>
<td>Davis Hall Obstructive Gargage</td>
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<td>R22</td>
<td>(Undertaken 2015) McMurry Hall Lecture Room Roof Replacement</td>
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<td>(Undertaken 2014) Elevator Rehabilitation</td>
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<td>(Undertaken 2014) McMurry Store Repairs</td>
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<td>(Undertaken 2013) Phase IV Electrical Infrastructure</td>
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<td><strong>TOTAL, CAPITAL RENEWAL PROJECTS</strong></td>
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<td><strong>59,081.8</strong></td>
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**GRAND TOTAL**

| | **$413,207.2** | **$410,910.8** | **$2,787.4** | **$** | **$** |

* Source of Non-State Funds:

**NOTE:** Please indicate with an "X" if project addresses life, health or safety concerns.
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<th>Institution</th>
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<th>FY2014 HBE Recommendation</th>
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* In some cases, HBE capital recommendations are partial project funding for initial phases such as planning and bid acquisition. Total project cost reflects the full cost of project completion including construction, conversion, utilities, and equipment.

* These costs exclude prior year state appropriations and non-state funds.

* Planning funds were included in the FY2013 Illinois Jobs Now! program for these projects. (Planning & Construction funds for the UIUC Education Building and CSM Child Care Center.)

* The project reached $4.5 million in the FY2013 Illinois Jobs Now! program. This request is to recognize the inflation needed for the project from the original request date.
Narrative on Priority Rationale - Capital Projects

1. Health Informatics & Technology Center

The University is requesting funding for a new Health Informatics & Technology Center. In the last decade the demand for college graduates with expertise in health-based technology fields has increased exponentially. The new facility will offer students a unique learning environment combining the best of a time-honored college education driven by a focus on advancing health technology. The center will have extensive infrastructure to accommodate a broad range of equipment necessary to develop a nationally competitive program with potential for industry and professional certification programs, custom health informatics learning labs, and single classes for corporations and individuals. Experience using “cutting edge” technology in a well-planned, well-equipped facility will prepare students to compete and succeed in the intense technologically complex world of the future.

2. Wirtz Hall Renovation

This project will provide improvements for programmatic spaces and building efficiency. The need for an upgraded and remodeled building to house the Health & Human Sciences College is substantiated by the dramatic changes in the type of physical facilities needed by a modern college to support new learning outcomes and increase interaction with the health community. Plans will focus on the consolidation of the college’s space needs into Wirtz Hall. The Health & Human Sciences College will be housed in a remodeled, dedicated building that will provide classrooms that facilitate group discussion, laboratories that allow students to refine presentation skills, computer laboratory spaces, faculty and administrative offices, and spaces that facilitate student interaction and interdisciplinary faculty relationships. This request will provide funding for the planning, design, and construction of remodeling Wirtz Hall.

3. Roadway Reconfiguration and Repair

Most roadways serving the NIU campus were constructed and are owned by the University, except Lucinda Avenue, Normal Road, Carroll Avenue, Locust Street, and Annie Glidden Road. The majority of the road construction coincided with the building surge in the 1950s and 1960s, though much of the East Campus road construction pre-dates that period. During the 1970s and 1980s several campus roadways were resurfaced, however, the only significant reconstruction projects that have been completed in recent years are Lucinda Ave, Castle Dr, Gilbert Dr, a section of Stadium Drive West, and a section of College Ave. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration on a localized basis. In addition to normal freeze/thaw damage, repairs due to construction projects (underground utility replacement, etc.) have led to a patchwork of street surfaces, each with seams that let more water penetrate and add to the deterioration. The additional burden of Huskie Bus traffic on University streets has accelerated the breakdown, particularly at bus stop locations.

4. Davis Hall Renovation

This Gothic style building was built in 1942 and constructed with steel, steel reinforced concrete, and then sheathed with Joliet Limestone. The building consists of 65,500 gross square feet of which 42,493 are assignable. Davis Hall was constructed as the institution’s first Science Building and now houses the Geology (Geology and Environmental Geosciences) and Geography departments.

Other than the installation of a telescope in 1965 and air conditioning systems in 1975, no other major renovations have occurred to Davis Hall over the last 70+ years. The building still utilizes the original fused electrical panels. Available power is completely inadequate for modern lab requirements. Davis’ mechanical systems are inefficient, inadequate, and antiquated. The flat roof sections are failing and two sides of the building need major repairs to the stonework, including overall tuck pointing. In order to continue to be of functional value, the building requires a number of comprehensive infrastructure updates. This would include a new HVAC system that can take advantage of the East Campus Chilled Water line which has been brought to the building’s east foundation wall, as well as an upgraded electrical system, etc. In FY15, NIU
successfully connected Davis Hall to the East Chiller Plant, providing chilled water to the building, thus completing the first step necessary in the process of updating the building’s HVAC systems. Existing fume hoods are not able to satisfactorily accommodate the needs of the scientists that are assigned to Davis. There is no elevator service to the 6th and 7th floors. Restroom locations are not compliant with today’s code requirements.

5. Adams Hall Renovation

Originally a woman's dormitory, Adams Hall which opened in 1949 was built with joliet marble shaped in collegiate Gothic style for the exterior of the building. In 1967 the building was converted into a general revenue administration building. Since the space within Adams Hall was originally designed to accommodate a dormitory, the current use of the building for administrative functions is not compatible with the historical space design. Currently the building houses Faculty Development, Student Academic Success, Testing Services, Academic Advising Center, Graduate Studies, Office of Sponsored Projects, Family and Consumer Nutrition, and Internal Audit Departments. In order to achieve an optimal working environment for these departments, significant renovations to the building need to occur.

Other than the installation of fan coil units in approximately 1967, no other major renovations have occurred in Adams Hall over the last 66 years. Available power is inadequate to meet modern technology demands. Mechanical systems are inefficient and antiquated. The existing building supply fan is original to the building and does not provide modern capabilities to temper outside air and reduce humidity levels within the building. This and the need to provide major repairs to the existing masonry structure and tuck pointing have caused significant problems with the University’s ability to control the indoor air quality. High humidity levels in the building within the summer months have created optimal conditions for mold and mildew growth.

In order to continue to provide a healthy and productive work environment for the faculty, staff, and students that occupy the building, the University seeks to perform major renovations on Adams Hall to address the space functionality of the building and the overall building structure and systems.

6. McMurry Hall Renovation

This Georgian style building was constructed in 1911 and is the second oldest building at Northern Illinois University. The building was constructed of brick and limestone consisting of 33,649 gross square feet of which 26,694 are assignable. The first floor was used to educate the lower grades and the second floor was used for the upper grades. McMurry was eventually converted into classrooms and offices for the College of Business. In 2002, the College of Business constructed Barsema Hall and McMurry became the home of the College of Health and Human Sciences.

Other than the installation of a new roof in 2002 and various other minor renovations (i.e. painting/carpeting/lightings), no other major renovations have occurred to McMurry Hall over the last 100+ years. Available power is completely inadequate for modern technology and classroom requirements. McMurry Hall still utilizes window unit air conditioning systems and the various other mechanical systems are inefficient, inadequate, and antiquated. The building as a whole is in need of major repairs; this includes tuck pointing of all exterior masonry and stonework. In order to continue to be of functional value, the building requires a number of comprehensive infrastructure updates, including a new HVAC system that can take advantage of the East Campus Chilled Water line, as well as an upgraded electrical system, etc.

Space within McMurry Hall is configured for the building’s original use in 1911. While the space generally works for a classroom building, additional efficiencies need to be made. In order to achieve more optimal learning environments, a more modern, student-focused, technology-oriented, teaching experience needs to be created.
7. **Williston Hall Renovation**

Williston Hall opened in 1915 and was originally built and used as a woman's dormitory. The building was converted to administrative office space in 1969. Since then no other major renovations have occurred in Williston Hall over the last 47 years. Available power is inadequate to meet modern technology demands. Mechanical systems are inefficient and antiquated. This as well as the need to provide major repairs to the existing masonry structure and tuck pointing have caused significant problems with the University's ability to maintain the building.

In order to continue to provide a healthy and productive work environment for the faculty, staff, and students that occupy the building, the University seeks to perform major renovations on Williston Hall to address space functionality of the building and the overall building structure and systems.

8. **Academic Buildings HVAC & Window Replacement**

Several buildings on campus are experiencing problems with air ventilation systems due to the age of the equipment. Three buildings of primary concern are Reavis, Watson, and Montgomery Halls. Both Reavis and Watson Halls are classroom/faculty office buildings with identical HVAC systems that are 35 years old and can be described as forced dual duct systems (one heat duct/one cooling duct) with units mounted in walls controlling the room temperature. Difficulty keeping constant temperature-humidity and airflow has surfaced in both buildings during the last two years stemming from not only the age of the equipment but also the inaccessibility for maintenance purposes. Recessed wall units are completely sealed behind masonry walls leaving no openings for repair of internal parts. This project would remove and replace the recessed wall units, dampers, and temperature controls.

The objective of the Montgomery Hall portion of the project is to convert ventilation systems serving laboratory, office, and classroom areas from existing constant velocity dual duct to variable air volume (VAV). Major portions of trunk and branch duct work will be redesigned and replaced. Some fume hoods would be replaced while all hoods would be retrofitted with monitor controls, sash sensors, alarms, and air flow valves. All building controls would be updated. Asbestos abatement in some areas will also be necessary.

The second part of the project is the replacement of windows throughout Montgomery Hall, Faraday Hall, and the Psych/Math Building. The existing windows date back to the original construction of the buildings, well over thirty years ago. They are generally of a single pane variety and very inefficient in their ability to conserve heat in the winter months and cool air during summer. Current window systems will be installed that are considerably more energy efficient, which will complement the University’s efforts at energy efficiency and conservation.

9. **East Chiller Plant - Chiller Capacity Expansion**

The East Chiller Plant, which was constructed in 2010, currently supply’s the east side of Northern Illinois University's campus with air conditioning through the University's chilled water system. The building was constructed in a way to allow for future expansion as the University grows and expands its current chilled water loop. There are currently four chillers in operation at the facility. During peak load times, the current chillers are put to their max. As the University continues to grow and connect additional buildings, such as Anderson Hall, the Engineering Building, and Barsema Hall, the maximum capacity of the plant will be significantly exceeded. There are currently four bays within the facility, two of which have been reserved for future expansion.

This project seeks to provide and install two additional cooling tower cells and all associated piping and equipment within the two empty tower bay’s to tie into the existing chilled water loop and condensing loop. Ultimately, the addition of this equipment would provide NIU’s east campus the ability to connect both the remaining buildings and any future buildings to the current chilled water system. Additional power may be
needed to supply units as well as significant plumbing work including, but not limited to, a possible upgrade of sanitary drains to handle condenser water during blow down.

10. Elevator Rehabilitation & Renovation

NIU seeks to rehabilitate passenger elevators across campus. After many years of service, the elevators have become difficult to repair and have extremely high maintenance costs. They provide an unacceptable level of performance, and the problems and breakdowns are appearing more frequently and varied. In addition, availability of parts for these elevators has become a problem. As the elevators continue to age there will be a need to upgrade to the latest elevator technology systems available. This project requests funding for labor and material necessary to install controllers, replace generators, and SCR drives, and install new hall and car stations for Faraday, Graham, Montgomery (partially complete), and Swen Parson Halls.

Narrative on Priority Rationale - Capital Renewal Projects

R1. (Unfunded 2017) New Boiler Number Three - West Heating Plant

Northern Illinois University’s existing boiler system provides steam for heating both the east and west campus. As the nine-boiler steam system ages, many of its components have been decommissioned due to severe deterioration of the interior boiler tubes and apparatuses. To better understand the system and the future potential of the system, Northern Illinois University is undergoing a University-wide boiler steam assessment. This assessment should provide the University with both a comprehensive list of repairs and a plan for the future. Concurrent with this assessment effort, boiler number three located in our West Heating Plant has been decommissioned due to operational safety concerns. The loss of this boiler creates a major safety hazard for the heating plant, students, and staff by putting the campus at risk of losing heat during the winter months. Regardless of the outcome of the assessment, NIU will need to replace this boiler to maintain heat during the winter months. In order to provide a safe, secure, and stable boiler system, the University wishes to replace Boiler number three with a new high efficiency boiler that will save energy and provide additional heating capacity. This work will guarantee that the NIU Heating Plant will be able to provide additional heating capacity that will ensure campus facilities are properly maintained through severe winter conditions.

R2. (Unfunded 2014) Main Steam Tunnel Rehabilitation

The main steam tunnel’s concrete structure has deteriorated over many years of service. At this point, the condition of the tunnel is worsening at an exponential rate, and the potential for the disruption of steam distribution to the main campus from the heating plants is a growing concern. In addition, safety concerns to maintenance staff will continue to rise during the ongoing maintenance required for the steam tunnel. Currently, the condition of the tunnel has made repairs and preventative maintenance difficult to perform and has resulted in high maintenance costs.


Existing masonry buildings on campus have begun to deteriorate requiring significant restoration, inclusive of tuck pointing and stone & brick replacement. Water is infiltrating causing secondary damage to building interiors. The parapets of some buildings are also allowing water to come in from the ceilings. To maintain the building’s exterior integrity, significant masonry and stone tuck pointing will need to be done. In particular, the exterior masonry of Still Hall (above the garage door) has begun to sag, causing problems not only with the exterior masonry cracking, but also causing glazing within the windows above to crack as well.
R4. (Unfunded 2017) Swen Parson Hall - Parapet Restoration

Northern Illinois University’s Swen Parson Hall was originally constructed in 1952. Over the years, through natural weather deterioration, the limestone tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall. Work would include tuck pointing of existing limestone structure and restoration of the masonry parapet which has begun to deteriorate, spall, and lose stones.

R5. (Unfunded 2015) East Heating Plant Coal Silo: Masonry Repairs

The existing East Heating Plant coal silo has not been utilized since the University’s departure from coal as a form of heating. As a result, the existing silo has sat unused for quite some time. Over the years the veneer has begun spalling, and large portions of masonry have begun to fall off. In order to address this problem, the University seeks to tuck point the existing masonry structure and preform restoration of the masonry walls that have begun to deteriorate and crack.

R6. (Unfunded 2017) ADA Upgrades

Many of our University buildings were built before 1998 (American׳s with Disabilities Act - ADA) and lack the needed amenities for individuals with disabilities. In order for NIU to continue to provide sufficient facilities to our students, staff and visitor’s with disabilities, NIU seeks to update various areas on campus to meet the current ADA code. Work to include, but not limited to, the renovation of existing handicap toilet rooms, ramps, entry pathways and doors, lifts, service counters, adaptive hearing mechanisms, and exterior improvements to accommodate individuals with disabilities.

R7. Gable Hall Roof Replacement: Phase II

The original roof on Gable Hall was installed in 1958 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. This project seeks to replace the roofing and skylights on the single-story, southwest corridor wing. Water infiltration and secondary damage is occurring within the building whenever it rains. Skylights leak consistently and plaster laden with asbestos continually collects moisture and falls from the ceiling. Roof replacement is necessary to correct the problem. The insulation is also spoiled at this point and must be replaced.

R8. Zulauf Hall: Masonry Joint Repair / Tuck pointing

Zulauf Hall, constructed in 1968, is an eight story solid brick masonry structure. The masonry requires routine maintenance, cleaning, tuck pointing, and restoration to ensure the building exterior is kept weather-tight. Over time, the masonry tuck pointing has degraded to a point in which water is constantly entering the building, most notably on the upper floors. This cause’s significant disruption to internal activities as well as continued maintenance and air quality issues within the building. In order to continue to adequately utilize the facility, Northern Illinois University seeks to tuck point the entire building, ensuring that the envelope is water tight.

R9. (Unfunded 2016) Replace Water Main Central Campus

The NIU Campus domestic water main piping distribution system consists of looped piping networks interconnected with the City of DeKalb water distribution system at many points. In 1990, the SEGA Utility System Planning Project was commissioned by NIU to recommend improvements to all campus utilities including underground water distribution piping. Final analysis was based on water main breakage history since 1976, internal corrosion potential, and external soil corrosion potential via soil chemistry boring samples. From this, a table of expected pipe life was applied to campus areas with known installation dates. Over time, modern fire protection flow rates were also applied for pipe sizing in campus areas that have experienced building growth after original water main installation.
The Central Campus 6-inch water main extending from approximately the northeast corner of Gabel Hall at Stadium Drive, along and south of University Circle to Carroll Avenue, was installed in 1959 using cast iron pipe. The SEGA Report recommended replacing this 1,700-foot main-line piping length with 10-inch diameter ductile iron pipe within 5 years of the published date. This increased diameter will insure maximum fire hydrant flows with minimum pressure drops during emergencies. This work will also include valve vaults, new fire hydrants, and smaller branch pipe building connection lengths with road, curb, and landscape remediation.

R10. Monsanto (Old DeKalb Ag) Roof Replacement

The original roof on the Old DeKalb Ag Building (Also known as the Monsanto Building) was installed in 1954. Over the years (and prior to Northern Illinois University ownership of the facility), a total of eleven different roofing systems were installed on the single 32,500 sq.ft. low-slope structure. The roofing system is beyond its useful life and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Additionally, the inconsistent roofing causes significant maintenance problems along with continued roof leaks. This project seeks to rectify the problem by replacing the roofing system in its entirety (including but not limited to membranes, insulation, and underlayment).

R11. Monat Building Roof Replacement

The original roof on the NIU Monat Building was installed in 1968 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The existing roofing system is a low-slope, 3-ply, built-up roof. The roof is over 11,600 square feet and will require roughly 1,000 feet of new roof flashing.

R12. DeKalb Campus Sewer Main Repairs

The existing DeKalb Campus Sewer Main system is over 60 years old and is well beyond its useful life. Significant upgrades need to be made in order to bring the system in compliance with modern day code and utilization standards. This project will be conducted in two phases. Phase I to consist of an overall assessment of the existing DeKalb Campus Sewer Main. Phase II to consist of repair, removal, and replacement of the system as determined in the Phase I assessment. Anticipated repairs to the existing DeKalb Campus Sewer Main may include, but are not limited to, storm drain renovations, sanitary line renovations, boiler drain updates, and overall system compliance; for the sanitary lines, updates for compliance with boiler drains and deaerator drains. Softener drains, to be compliant, need to go to sanitary. System is approximately 60 years old and needs significant upgrades to bring it into compliance with modern day utilization practices.

R13. (Unfunded 2016) Davis Hall Parapet Restoration

Northern Illinois University’s Davis Hall was originally constructed in 1942. Over the years, through natural weathering, the masonry tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall. In order to avoid further damage, NIU would like to preform tuck pointing of existing masonry structure, restoration of masonry parapet that has begun to deteriorate and bow, restoration of masonry walls that have begun to crack, and replacement / repair of lintels that have begun to fail.

R14. Gabel Hall Pool Repairs

Northern Illinois University’s Gabel Hall was originally constructed in 1958. Over the years, through natural wear and tear, the existing Gabel Hall facility has begun to show its age. More specifically, the concrete pool and pool systems have begun to deteriorate. Existing pool motors, filters, heating, and other systems
are showing their age and are in a constant state of failure. Maintenance of the system has become burdensome due to the age of the system and the University's lack of ability to acquire replacement parts. This project seeks to repair the existing pool structure and to rework/replace the existing pool systems to allow for higher level maintenance, chlorine control, and overall pool quality.

R15. Cole Hall Steam Supply Replacement

Faye Cooper Cole Hall, originally constructed in 1968 recently underwent a significant renovation in 2012 as part of a Capital Development Board Project. A large portion of the building was converted into a state-of-the-art teaching "Collaboratory", Auditorium, and Anthropology Museum. Even though a significant portion of the building was remodeled, the basement and existing HVAC supply lines from 1968 still remain. This has caused significant issues with the University's ability to maintain and control temperature and humidity levels within the building. As the Anthropology Museum continues to acquire artifacts from around the world, the need to protect these artifacts from excessive temperatures and humidity levels has become a significant need. This project seeks to remove and replace the existing steam pressure reducing station and supply lines in order to provide reliable steam supply for the temperature and control of the HVAC system. In doing so, NIU will be better able to control the indoor climate conditions within the building.

R16. Anderson Hall Pool Repairs

Northern Illinois University’s Anderson Hall was originally constructed in 1964. Through the years, minor work has been done to maintain the building, but no significant renovations have occurred. Over the years, through natural wear and tear, the existing Anderson Hall facility has begun to show its age. More specifically the concrete pool, pool deck, and pool systems have begun to deteriorate. Existing pool motors, filters, heating, and other systems are showing their age and are in a constant state of failure. Maintenance of the system has become burdensome due to the age of the system and the University’s lack of ability to acquire replacement parts. This project seeks to repair the existing pool structure and pool deck and to rework/replace the existing pool systems to allow for higher level maintenance, chlorine control, and overall pool quality.

R17. Lorado Taft Life Safety

Lorado Taft, NIU’s outdoor education and conference center, is open year-round to any group of 40 to 160 people. The Taft Campus has 14 facilities that range in age from 116 years to 13 years (Taft House - 1900, Pooley House - 1900, Log Cabin - 1900, Browne House - 1902, Dickerson House - 1951, Pump House - 1951, Garage - 1951, Grover House - 1951, Clarkson House - 1963, Dining Hall - 1963, Arts & Crafts - 1968, Heckman Dorm - 1962, Director Mobile Home - 1980 and Water Pressurization - 2003). Most of the buildings were constructed in the 50's and 60's and have begun to show their age. Existing HVAC systems, Fire Protection Systems, and other occupancy features intended to minimize danger to patrons that visit the facilities are significantly past their useful life. In an effort to reduce the risk of system failure, this project seeks to renovate the existing facilities to bring them up to date with modern day code and health and life safety standards.

R18. Asbestos Floor Tile Abatement

DuSable Hall, Reavis Hall, and Watson Hall are some of the most widely utilized classroom buildings on the Northern Illinois DeKalb Campus. As freshman enter campus, it is highly likely that these buildings will house a significant number of their general education classes. As such, there is a need to ensure that the facilities are on par with other peer institutions. DuSable Hall (built in 1968), Reavis Hall (built in 1957), and Watson Hall (built in 1962) still have the existing 9”x 9” asbestos tile and mastic in a majority of classrooms and hallways. Over the years, the tile has become worn and has started to chip and deteriorate. In an effort to not only improve the overall look of the facilities but also reduce/eliminate the potential spread of friable asbestos, this project seeks to remove the existing 9"x 9" tile and mastic and replace it with up-to-date finishes that do not pose a threat to the health and life safety of students, faculty, staff, and visitors.
R19. Broadcast Center Roof Replacement

The roof on the NIU Broadcast Center was installed in 1996 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. A complete roof replacement is necessary to correct the problem. This project seeks to remove and replace the existing EPDM low slope roofing system (including but not limited to membrane, insulation, and underlayment). The roof consists of over 13,500 square feet and approximately 600 linear feet of roof flashing.

R20. (Unfunded 2014) Music Building Roof Replacement

The original roof on the NIU Music Building was installed in 1972 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The all-weather-crete insulation is also spoiled at this point and must be replaced. The existing roof is a 3-ply, built-up roof with a gravel surface over coal tar pitch. The roof is over 60,000 square feet with eight major roof levels that will require 2,000 feet of new roof flashing. This roof offers an ideal location for green roof opportunities which will be considered in this scope of work.

R21. Davis Hall Observatory Upgrade

Davis Hall was built in 1943 to house the classrooms for all the natural sciences. Today it currently holds many of those same departments such as geology, geography, meteorology, and astronomy. The observatory telescope atop Davis Hall was not added until 1965. The Observatory rests upon the original pair of hydraulic cylinders which allow the floor to be raised and lowered for better use of the telescopes. The clock drive also makes possible reliable 10- and 20-minute astrophotography. While the systems are still functional, they have begun to show their age and are in need of repair and/or replacement. This project seeks to renovate the existing observatory by repairing and/or removing and replacing the existing hydraulic equipment and clock drive to ensure that it remains in operation for years to come.

R22. (Unfunded 2013) McMurry Lecture Room Roof Replacement

A temporary roof was put on McMurry Lecture Room in 1990 and has never been permanently addressed. Prior to 1990, the original roof consisted of EPDM with layers of insulation on top of the roof deck. Water infiltration and secondary damage occurs within the building due to the lack of a permanent roof. Roof replacement is necessary to correct the problem. The roof is over 2,000 square feet and will require extensive roof flashing.

R23. (Unfunded 2014) Elevator Rehabilitation

Northern Illinois University seeks to rehabilitate several elevators on campus. After many years of service, the elevators in many general revenue buildings have become difficult to repair and have extremely high maintenance costs. They provide unacceptable levels of performance, and the problems and breakdowns appear more frequently and varied. Many existing controllers are not equipped with the necessary fire protection technology and do not comply with local and national codes.

R24. (Unfunded 2014) McMurry Stone Repair

McMurry Hall, constructed in 1911, is a three-story, solid brick masonry bearing wall structure with decorative cut limestone surrounds that accent the doors, windows, and eave line of the building. The masonry requires routine maintenance, cleaning, tuck pointing, and restoration to ensure the building exterior is kept weather-tight to protect the structural integrity of the bearing walls. The decorative
limestone is in poor condition at the south entry and several other locations. The aluminum framed windows installed in 1963 are now worn and leaking and beyond the normal life expectancy for the material.

R25. (Unfunded 2015) Phase IV Electrical Infrastructure

In continuation of the efforts outlined in Phase III Electrical Infrastructure (R3 Above), Phase IV of the Electrical Infrastructure will incorporate the replacement of underground duct bank high-voltage electrical cables (Loop S#1 to G#5, Loop S#2 to G#4 and Loop NG#1 to G#3) as well as the replacement of the Carroll Avenue Substation and the renovation of electrical building equipment in the Davis Hall.

Loop S#1 to G#5 is distributed in 4,450 lineal feet of duct bank. The buildings that are fed on this loop include: Convocation Center, Stevenson North, Stevenson South, and the Softball Field.

Loop S#2 to G#4 is distributed in 5,400 linear feet of duct bank. Although 300 lineal feet of cable has been replaced recently, it will be necessary to replace the remaining 5,100 feet. The buildings that are fed on this loop include: Yorden Center and Huskie Event Power, Stadium West, Dorland Building & Physical Plant, Stadium East, TV Center, BAVC, and the Recreation Center.

Loop NG#1 to G#3 is distributed in 3,910 lineal feet of duct bank. All 300 lineal feet of cable on this loop has been replaced in recent years. The buildings that are fed on this loop include: West Heating Plant, Lincoln Hall, New Residence Hall, and the Community Center.


Northern Illinois University has over 75 General Revenue facilities located on its main campus in DeKalb. Of those 75 buildings, approximately 80% are over 40 years old and 53% are over 50 years old. The majority of these facilities have not been renovated since they were originally constructed. While Northern Illinois University has continued to provide exceptional maintenance to all facilities, in most cases the interior and exterior painting of the buildings has not been done in 10 to 20 years. As such, the facilities are showing their age. In an effort to better maintain our General Revenue facilities and be on par with peer institutions, this project seeks to provide painting these facilities in order to make them more appealing and inviting to students, faculty, staff, and visitors.

R27. (Unfunded 2017) Simulation Labs

Northern Illinois University School of Nursing prides itself on its ability to provide its students with a dynamic, hands-on teaching environment. In order to continue to provide this type of high level theoretical knowledge-based education, the School of Nursing seeks to enhance their existing facilities with four additional simulation labs (and integral control rooms) in which students have the opportunity to practice essential skills in a computer-based lab. Mannequins simulate a variety of symptoms that can be found in real life scenarios. This experiential and active learning environment is essential in providing our students with the skills necessary to be successful within the nursing field.

R28. (Unfunded 2014) Modern Collaboratory Classroom Conversions

Many of our current computer labs on campus utilize outdated technology. As new students arrive on campus, it is essential to provide up-to-date technology in order to provide classroom environments that meet the needs of both our students and teaching staff. Collaboratory classrooms are intended to provide a high-tech tool and seating configuration; environment specifically created to facilitate active, collaborative learning (professor-guided, student collaboration in a laboratory-type setting) in a board-room like seating arrangement. The physical design of the room, accessibility to computer-based and on-line web information, along with the nature of the class materials and the makeup of the groups are carefully structured to encourage students to interact as a team during problem solving tasks.
Features include:

- Separate learning pods, each seating six to eight students
- Digital touch screen for each pod allowing students to interact both intellectually and physically with educational material, much in the same way users interact with touch-screen iPads.
- Individualized student workstations with internet access enabling online networking among students and a specialized instructor workstation for monitoring each student or group where the professor can project and interact with classroom work within each pod.

**R29. (Unfunded 2013) General Revenue - Chiller Tie-In - Phase VIII: Still Gym, Still Hall & McMurry Hall Chilled Water Loop Connection**

Northern Illinois University has several buildings located on campus that are operated by standalone systems HVAC. In 1991, NIU completed the final phase of a comprehensive study of the University’s utility systems. The University’s consultant provided an all-inclusive report on the condition and recommended rehabilitation and improvement of electrical, steam, water, natural gas, and chilled water distribution systems. Phase VIII of this plan seeks to connect Davis Hall, Still Gym, Still Hall, and McMurry Hall to the University’s chilled water loop. Connecting these buildings to the University’s chilled water loop will provide the University the ability to remove the buildings’ existing standalone systems which (due to their age) are costly to both maintain and operate.

**R30. (Unfunded 2015) East Heating Plant Upgrade - Phase IX: Anderson Hall, Engineering Building & Barsema Hall Infrastructure Installation for Chilled Water Loop Connection**

Northern Illinois University has several buildings located on campus that are operated by stand-alone HVAC systems. In 1991, NIU completed the final phase of a comprehensive study of the University’s utility systems. In an effort to continue the progress made from this study, the University has identified areas of additional improvements within its electrical, steam, water, natural gas, and chilled water distribution systems. Phase IX seeks to provide the infrastructure needed to connect Anderson Hall, the Engineering Building, Barsema Hall, Faraday East, and LaTourette Hall to the University’s chilled water loop. Connecting these buildings to the University’s chilled water loop will provide the University the ability to remove the building’s existing stand-alone systems which (due to their age) are costly to both maintain and operate.

Phase Xa and Xb (R15 & R16) seek to connect Anderson Hall, the Engineering Building, Barsema Hall, Faraday East, LaTourette Hall, Davis Hall, McMurry Hall, Still Gym, and Still Hall to the University’s chilled water loop. In order to accommodate the additional load provided for in phase Xa and Xb, phase IX will need to be completed. Phase IX work will include the addition of 2 chillers, 2 pumps, and 2 additional cooling towers.

**R31. (Unfunded 2015) General Revenue Chiller Tie-In - Phase Xb: Anderson Hall, Engineering Building & Barsema Hall Chilled Water Loop Connection**

Northern Illinois University has several buildings located on campus that are operated by stand-alone HVAC systems. In 1991, NIU completed the final phase of a comprehensive study of the University’s utility systems. In an effort to continue the progress made from this study, the University has identified areas of additional improvements within its electrical, steam, water, natural gas, and chilled water distribution systems. Phase Xb of this plan seeks to connect Anderson Hall, the Engineering Building, and Barsema Hall to the University’s chilled water loop. Connecting these buildings to the University’s chilled water loop will provide the University the ability to remove the building’s existing stand-alone systems which, due to their age, are costly to both maintain and operate.

Phase Xb seeks to connect Anderson Hall, the Engineering Building, and Barsema Hall to the University’s chilled water loop. Work will include interior modifications to existing systems for all buildings as well as the addition of significant underground pipe to the Engineering Building and Barsema Hall. DDC controls (with I-Net) will also need to be provided at each building.
R32. \textbf{(Unfunded 2015) Replace Neptune Bridge - Phase XI}

The existing bridge running over the Kishwaukee River on the west side of Neptune Hall is in significant disrepair and needs to be replaced. In order to do so, additional work must be completed to re-locate the existing steam lines that run underneath and are supported by the bridge.

In order to avoid outages in service to the steam line, the existing bridge west of Neptune Hall will need to be re-located. The project will include the relocation of the existing foot bridge and all associated structural work. Work will also include the installation of a new steam line to connect into the existing east and west tunnel system, tunnel for the steam line, and all associated equipment and ejector pumps. Once the new line has been installed and successfully connected, the existing bridge is to be removed in its entirety.

R33. \textbf{(Unfunded 2017) Repair/Re-tube Boiler Number Five - East Heating Plant}

Northern Illinois University’s existing boiler system provides steam for heating both the east and west campus. Many components of the University’s system are quite old and have been decommissioned due to severe deterioration of the interior boiler tubes and components. More specifically, Boiler number five within the East Heating Plant is also in need of significant repairs. This boiler was installed in 1976 and is currently “off line” due to the same interior deterioration of boiler tubes and components. The loss of this creates a major safety hazard for the heating plant, students, and staff by putting the campus at risk of losing heat during the winter months. In order to provide a safe, secure, and stable boiler system, the University wishes to repair/rebuild and recertify Boiler number 5. This work will guarantee that the University will be able to provide additional heating capacity that will ensure campus facilities will be properly maintained through severe winter conditions.
<table>
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<tr>
<th>PROJECT NAME/DESCRIPTION/BUDGET CATEGORY</th>
<th>ANTICIPATED SOURCE OF FUNDS</th>
<th>TOTAL PROJECT COST</th>
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<td>West Heating Plant Boiler Replacement (Deferred Maintenance / Modernization)</td>
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<td>Budgeted Total:</td>
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<td>$ 25,000.0</td>
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Agenda Item 7.c.  
August 25, 2016

STEVENSON TOWERS B & C – ROOF REPLACEMENT  
CAPITAL PROJECT APPROVAL

Summary: The roofs on Stevenson Hall Towers B and C experience periodic and occasionally significant leaks. Leak repairs have been modestly successful, however due to age and deterioration of the roofing membrane, these roofs have been identified as a priority for replacement during Fiscal Year 2017. Similar to towers A and D, which were approved for replacement at the March 17, 2016 Board meeting, the built-up coal tar pitch roof membrane system was installed in 1968 when the buildings were constructed and was restored in 1981. However, they are well beyond the 20-year life expectancy of the asphalt restoration products that were applied, and the roofs are currently in very poor condition due to age and UV deterioration.

The work will include the removal of all existing roofing materials to the existing roof deck. The roof deck will be repaired as required and new insulation will be installed with a new roofing membrane system, including flashing around the perimeter of the building and at all penetrations of the roof. The work will include any necessary clean-up and repair of damaged ceilings and other surfaces in the ceiling plenum and the rooms below the roof area.

Funding: Institutional – Bond Reserve Funds

Recommendation: The University requests Board of Trustees authorization to establish a total project budget of $625,000; contract with an Architectural / Engineering firm for preparation of plans and specifications for bidding the work; and proceed with construction contracts, purchase orders, and work orders as necessary to complete the roof replacement and renovation work. The University will provide the Board with periodic updates on the progress of the project.
Agenda Item 7.d.  
August 25, 2016

DIVISION OF INFORMATION TECHNOLOGY  
FISCAL YEAR 2017 NIUNET MODERNIZATION

Summary: The Division of Information Technology requests the purchase of Ciena hardware, software, and maintenance to upgrade and modernize NIUNet and will purchase through Walker and Associates, Inc. utilizing the MHEC award.

NIUNet is a premier network that provides broadband services throughout Northern Illinois for the advancement of high speed connectivity. NIUNet also provides connectivity the University requires for research and Internet services at its main campus and Outreach Centers. Currently one segment of the NIUNet infrastructure has reached its end of life. It can no longer be supported, replaced, or repaired, and therefore requires an upgrade to modernize the equipment.

In addition to the University benefits of high speed networking, this proposed segment generates over $300,000 per year in external revenue with the potential to grow by 50% in the short term. This network segment also provides backup for other critical networking routes.

For additional financial context, the NIUNet capital refresh cycle includes a total of $1.5M in refresh costs every 7 years. The last refresh of this equipment was in 2011. The next refresh is due in FY18 and will cost approximately $200,000. This amount is anticipated to be fully funded through external revenue generated by NIUNet.

This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved MHEC vendor.

Funding: The total equipment cost for this request will not exceed $608,000. Funding for this request is provided through three existing sources: First, under a 10-year agreement between NIU and the Illinois Rural HealthNet, there is a reserve of $287,000 held in an NIU account for this specific purchase. Second, $260,000 of the $300,000 in annual revenue generated by this circuit can be applied toward the purchase of this new equipment. Third, the remaining $61,000 will be paid for by wired networking revenue generated through existing wired networking fees. No new incremental funding is being sought, only the approval to spend existing funds.

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY 2017 as follows:

Walker and Associates, Inc., Welcome, NC.................................................................$608,000
The Illinois Board of Higher Education issued Tuition and Fee Waiver Guidelines for Illinois Public Universities in June 1999, which was amended in February 2000. These guidelines include the requirement that tuition and fee waivers granted during the fiscal year be reported to each university’s Board of Trustees. Pursuant to that requirement, the University has prepared the following report.

**TUITION AND FEE WAIVERS**

**FISCAL YEAR 2016 ($ in thousands)**

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<th>Mandatory Waiver Category</th>
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<th>Value of Waivers (in thousands of dollars)</th>
<th>Number (unduplicated)</th>
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The unfunded portion of Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), POW/MIA Scholarships (Department of Veterans Affairs), and Dependents of Fire, Police and Correctional Officers Grants (ISAC).
FISCAL YEAR 2016 REPORT ON CAPITAL ACTIVITIES

The following report summarizes all capital projects approved from Fiscal Year 2010 through Fiscal Year 2016. These projects were approved by authorization from the following:

1) The Board of Trustees
2) The President as delegated by the Board
3) The Vice President of Administration and Finance as delegated by the President
4) Appropriation by the State of Illinois to the Capital Development Board for Northern Illinois University

This report is required by the Board of Trustees Regulations and supplements quarterly and semiannual reports on capital projects. The format and data of this report are intended to summarize all capital improvements by Fiscal Year and establish historical perspective.

The chart titled Approved Capital Projects by FY/Fund Source (Figure 1) illustrates fund sources for capital improvements from FY10 to FY15. In Fiscal Year 2010, the Board approved three projects in excess of $1.0 million: $22 million for the renovation of Stevens Building, $6 million for the renovation of Cole Hall, and $2 million for a new lecture hall to be part of the Cole-Stevens Complex. There were no project approvals between $500,000 and $1,000,000. There were four project approvals between $100,000 and $250,000 that totaled $643,498. There were nineteen projects under $100,000 approved. There were eleven repair and remodeling projects approved for research, learning, classroom, and support spaces. Included in those eleven projects were four smart classroom remodeling projects.

In Fiscal Year 2011, the Board approved seven projects in excess of $1.0 million: $85.76 million for projects related to Campus Non-Instructional Modernization and Capacity Improvement, $7 million for the renovation of parking facilities, $5.24 million for a new Outdoor Recreation Facility, $3 million for Grant Tower Renovation Phase I, $2.88 million for Electrical Infrastructure upgrades, $2.69 million for Stevenson...
Fire Sprinkler System, and $1.74 million approval of CDB Funds for roof replacement on seven general revenue buildings. There was one project between $500,000 and $1,000,000: $970,000 was approved for the roof replacement at Holmes Student Center. There were two project approvals between $250,000 and $500,000 that totaled $692,000: $365,000 for Campus Alert Phase II, and $327,000 to repair the building envelope at Lincoln Hall. There were three project approvals between $100,000 and $250,000 that totaled $601,932. There were twenty-seven projects under $100,000 approved. There were ten repair and remodeling projects approved for research, learning, classroom, and support spaces.

In Fiscal Year 2012, the Board approved two projects in excess of $1.0 million: $3.3 million for Huskie Stadium scoreboard, $1.8 million for campus 100% wireless coverage. In addition, the Capital Development Board approved a budget increase of $2.9 million for Stevens Building Renovation. There was one project between $500,000 and $1,000,000: the CDB approved a budget increase of $572,600 for roof replacements on seven campus buildings. There was one project approval between $250,000 and $500,000: $385,000 for Campus Alert Phase III. There were ten project approvals between $100,000 and $250,000 that totaled $1,799,048. There were twenty-seven projects under $100,000 approved, fourteen of which were under $25,000. There were eight repair and remodeling projects approved for research, learning, classroom, and support spaces. Notable projects include the new DOD super computer for Computer Science, 100% wireless coverage for campus, three smart classrooms, and a new laboratory for Computer Science.

In Fiscal Year 2013, the Board approved two projects in excess of $1.0 million: $2.58 million for Electrical Infrastructure and $1.25 million for Campus Alert Systems. In addition, Campus maintenance projects totaled $1.65 million for general campus improvements. There was one item between $500,000 and $1,000,000 approved by the Board: $650,000 for new electronic advertising fascia boards at Huskie Stadium. There was one project between $250,000 and $500,000: $270,985 for emergency repairs of the entry plaza/mechanical room deck at Montgomery Hall. There were fifteen project approvals between $100,000 and $250,000 that totaled $2,430,729. There were twenty-three projects under $100,000 approved, nine of which were under $25,000. There were ten repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include the new entry door system for Founders Library, four smart classrooms, and a renovated temporary Anthropology lab space for use during the renovation of Stevens Building.

In Fiscal Year 2014, the Board approved two projects in excess of $1.0 million: $2.25 million for a new Public Safety radio system and $1.38 million for Electrical Infrastructure. In addition, Campus maintenance projects totaled $1.59 million for general campus improvements. There was one project between $250,000 and $500,000: $450,000 for new “beta version” small bus transit system for central campus. There were ten project approvals between $100,000 and $250,000 that totaled $1,685,620. There were fifty projects under $100,000 approved, thirty of which were under $25,000. There were twenty repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include three smart classrooms, the new walk-in cooler for Geology research in Davis Hall, and a new computerized video message board system for the College of Education.

In Fiscal Year 2015, the Board approved one project in excess of $1.0 million: $1.5 million for planning the renovation of Holmes Student Center and Neptune Residential Complex. There were two projects over $500,000: Grant Central Roof Replacement at $812,000 and renovation of the Animal Research Facilities located in Psychology / Computer Science and Montgomery Hall at $850,000. Maintenance project approvals totaled $3.03 million for general campus improvements with an additional $373,071 approved for two emergency repairs. There were five projects between $250,000 and $500,000. Most notably two projects at Huskie Stadium: $460,000 for a new turf field and $300,000 for additional LED advertising ribbon boards. There were twenty-one project approvals between $100,000 and $250,000 that totaled $4,760,342. There were forty-nine project approvals under $100,000, thirty were under $25,000. There were seventeen repair and remodeling projects approved for academics, research, smart classrooms, and support spaces. Notable projects include the renovation of the Animal Research Facilities for Psychology and Biology, nine smart classrooms and classroom upgrades, additional compact storage for the Anthropology Museum, the first electric car charging station on campus, and this year one new facility was
added, a new salt shed for Grounds Department to help manage purchasing and storing of winter de-icing salt.

Reviewing the same six-year period by project category (Figure 2) confirms the University’s commitment to repair and renovation of existing facilities and the upgrade of infrastructure to serve the campus. Notable new construction occurred in Fiscal Year 2011 with approval to construct the new $5.24 million Outdoor Recreation Facility.

The vast majority of capital resources FY10 to FY15 were directed to upgrading campus infrastructure and adapting facilities to meet the needs of current programs. Infrastructure improvement and repair and renovation include all facility improvements not directly associated with construction of new facilities. Projects such as roof replacements, boiler and chiller replacements, extension of utility tunnels, street resurfacing, and parking lot reconstruction are all considered infrastructure improvement or repair or renovation. The entire six-year period underscores these efforts.
Total capital funding approved in Fiscal Year 2016 was $28.6 million. Figure 3 illustrates the makeup of capital projects by funding sources for FY16.

Figure 4 (shown on the next page) tracks approved capital funding by Fiscal Year and Fund Source. The chart clearly shows the dramatic decrease in capital funding approval beginning in FY12. Funding approved in FY10 was $36.36 million. Capital Development Board funding in FY10 of $30.5 million represents the appropriation of $8 million for Cole Hall renovation and a $22.5 million appropriation for Stevens Building renovation. FY10 Bond Revenue funding approval was dramatically reduced from previous years to $230,000. Funding approved in FY11 was $111.39 million. This large increase in funding approval over previous fiscal years is due to the $98 million approved for Campus Non-Instructional Modernization and Capacity Improvement Bond Revenue projects. Capital Development Board funding in FY11 of $1.74 million was directed toward deferred maintenance for seven roof replacements. Approval of $4.08 million of Appropriated and Other funds was directed mainly toward emergency electrical repairs, campus alert systems, and electrical infrastructure replacement. Funding approved in FY12 was $11.52 million, a significant reduction from the previous year. FY12 Capital Development Board funding of $3.48 million added funds for Stevens and roof replacements. Bond funding of $4.87 million includes Stadium scoreboard upgrade and wireless coverage for residence halls. The $3.17 million approval of Appropriated and Other funds was directed mainly toward campus alert systems and wireless internet coverage for general revenue buildings.
Funding approved in FY13 was $9.71 million, near the previous year’s approval level. No Capital Development Board funding was approved. Approval of $6.72 million of Appropriated funds provided campus maintenance, electrical infrastructure, and campus alert systems. Funding approved in FY14 was $8.7 million, down slightly from previous years. No Capital Development Board funding was approved. Approval of $7.5 million of Appropriated and Other funds was directed toward campus maintenance, electrical infrastructure, and a new police radio system. In FY15 $9.7 million in capital funding was approved, very close to the approval level of the last two fiscal years. As in recent years, there was no Capital Development Board funding approved. Approved Revenue Bond funding of $5.0 million included $1.5 million for planning the renovation of Holmes Student Center and Neptune Residential Complex. Again in FY15, the $4.7 million of Appropriated and Other funds were mainly directed toward remodeling, campus maintenance and several small “Campus Initiative” projects which refreshed and updated areas within the central core of campus. In FY16 $28.6 million in capital funding was approved. At first glance this approval level appears significantly higher than the previous four fiscal years, however, the approval of $20 million of Build America Bond proceeds to renovate Holmes Student Center is technically an approval to reallocate funds that were previously approved by the Board in FY11. The amount of new capital funding approved for FY16 is $8.6 million, which is approximately equal to approvals for the last four fiscal years. As in recent years, there was again no Capital Development Board funding approved except that the Board approved $300,000 of appropriated/income funds to ensure that the CDB Stevens Building Renovation project was enclosed and protected for winter. Of the remaining $8.3 million of approval, $4.93 million or 60% was directed toward major repairs.

![Capital Projects by FY/Fund Source](figure4.png)
A review of Fiscal Year 2016 by the category of capital improvements undertaken (Figure 5) shows the institution’s dedication to renovating facilities and upgrading existing infrastructure. The Board approved three projects in excess of $1.0 million: The reallocation of $20 million in Build America Bonds for the renovation of Holmes Student Center, $1.9 million for renovation of New Hall Dining and Residence, and $1.25 million to replace the roof of Gabel Hall. There were five projects over $400,000: $750,000 for Grant Steam Vault, $700,000 for the Boiler Assessment and Phase I Design, $625,000 for Stevenson Towers Roof Replacement, $440,000 for Lucinda Avenue Realignment, and $400,000 for DuSable Steam Vault Repairs.

There were four projects between $200,000 and $400,000. Most notable was the repair of the heating system for the Child Development Lab for $246,300.

There were twenty-three project approvals between $25,000 and $200,000 that totaled $1,446,620, and there were twenty-eight projects under $25,000 approved. There were twelve projects approved for General Revenue buildings. The majority of these projects were major repairs to critical building systems such as heating, ventilating, air conditioning, leaking roofs, and deteriorated walls.
Fiscal Year 2016 Annual Report of Transactions Involving Real Property

Three categories of real property transactions are included in this annual report. In-leases, where NIU acts as the lessee, serve to provide support when either there is insufficient or inadequate space for the requirement within University-owned property. Annual reviews are being conducted to verify the continuing need for the in-lease arrangement before renewal. Leases may be terminated when the mission requirement ends or arrangements can be made to accommodate the function within University property or via another in-lease.

Out-leases, where NIU acts as the lessor, serve to effectively leverage under-utilized property either financially and/or through compatible support to the University mission. Annual reviews are being conducted to evaluate the value of the out-lease to the University prior to renewal.

Facility capital leases are long-term payment agreements with interim leases where the final objective is University ownership of the property.

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Transactions</th>
<th>Transaction Percentage</th>
<th>Dollar Volume</th>
<th>Dollar Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-leases (NIU as lessee):</strong> Includes support for academic activities (e.g. steel drum workshop, art studios, law clinic, temporary theater arrangements during Stevens construction), outreach activities (e.g. NPR operations, grant-funded motorcycle safety), and research (e.g. robotic submarine).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $100,000</td>
<td>18</td>
<td>95%</td>
<td>$451,438</td>
<td>81%</td>
</tr>
<tr>
<td>$100,000-$250,000</td>
<td>1</td>
<td>5%</td>
<td>$104,400</td>
<td>19%</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>100%</td>
<td>$555,838</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Transactions</th>
<th>Transaction Percentage</th>
<th>Dollar Volume</th>
<th>Dollar Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Out-leases (NIU as lessor):</strong> Includes support for government organizations (e.g. IL Board of Examiners, IL Dept of Agriculture, State University Retirement System), commercial operations (e.g. Subway fast food, TCF Bank, farmland rental), and research (e.g. American Institute for Research in the Biological Sciences*, REV3 business incubator).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $100,000</td>
<td>9</td>
<td>90%</td>
<td>$211,719</td>
<td>26%</td>
</tr>
<tr>
<td>$100,000-$250,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>1*</td>
<td>10%</td>
<td>$597,000</td>
<td>74%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>100%</td>
<td>$808,719</td>
<td>100%</td>
</tr>
</tbody>
</table>
Facility capital leases: Includes the annual payments for the Illinois Association of School Business Officials and the New Hall and Northern View Residential Complexes.

Northern View
- Payments made in FY16 $1,427,306
- Payments to date $4,174,315
- Remaining debt $41,450,349
- Ending date of term June 2043

New Residence Halls / Dining Center
- Payments made in FY16 $8,469,312
- Payments to date $47,311,395
- Remaining debt $245,956,950
- Ending date of term June 2043

IASBO Building
- Payments made in FY16 $69,926
- Payments to date $1,194,578
- Remaining debt $553,585
- Ending date of term May 2024
FISCAL YEAR 2016 ANNUAL REPORT OF CASH AND INVESTMENTS FOR PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016

This report is required by Board of Trustees Regulations and is submitted annually.

The Investment Committee is responsible for monitoring compliance with the University Investment and Cash Management Policy. The investment goals, as stated in the policy, are to insure the preservation of principal and maintain compliance with applicable state laws, rules, regulations, debt covenants, and Board of Trustees Regulations while meeting cash flow needs and earning a yield acceptable to conservative investment managers.

The University investments are made from the following cash entity groups: (1) debt service reserve funds; (2) equipment reserve funds; (3) escrow and trust funds; (4) locally generated revenues, including tuition and fees; (5) project funds; (6) repair and replacement reserve funds; and (7) self-insurance funds.

The schedules included with this report are:

- Investment and Cash Management Policy
- Report of Depositories
- Investment Holdings Summary as of June 30, 2016
- Investment Earnings by Investment Type and Duration
I. Investment Philosophy

Pursuant to Board of Trustees’ policy and Board Treasurer’s function, it shall be the policy of Northern Illinois University to manage the University’s cash and investments for the use and benefit of the University in a manner that will:

A. preserve and maintain the real purchasing power of the principal

B. assure an optimal flow of cash to meet University obligations

C. produce a yield which, when compared to current marketplace, would be described as acceptable by conservative investment managers while maintaining consistency with applicable State Statutes and/or bond indentures

II. Safety

The safety of principal is the primary objective of the University’s investment program. The University’s Investment and Cash Management Policy provides for diversification among permissible investments while:

A. Managing market changes

B. Minimizing interest rate risk

C. Mitigating credit risk

D. Managing concentration of credit risk

E. Safeguarding custodial credit risk

F. Controlling foreign currency risk

Interest rate risk is the risk that a change in interest rate will adversely affect the fair value of an investment. The University mitigates interest rate risk by maintaining adequate cash or cash equivalent balances that are consistent with expected cash flows of the University, thus minimizing risk associated with changes in market value and/or interest rate fluctuation. It is prudent to establish a diversified portfolio with instruments that vary by issuer; by type of security; and by maturity date.

Credit Risk represents a loss due to the failure of a security issuer to fulfill its obligation to make interest and/or principal payments in accordance with required dates. By limiting investments, to only those authorized by the Illinois Public Funds Investment Act (30 ILCS 235), the University’s exposure to credit risk is mitigated. For example, short-term obligations of corporations organized in the United States that meet the following criteria at the time of purchase: 1) rated at one of 3 highest classifications as determined by at least two standard rating services, 2) to mature in 180 days or less, 3) such purchases do not exceed 10% of the corporations’ outstanding obligations, and 4) no more than one-third of the University’s funds may be invested in short-term obligations of corporations.

Concentration of credit risk is managed with diversification of investments, held at any one time, in the University’s portfolio. The risk of loss due to having a significant portion of University resources invested in a single issuer is minimized and controlled by limitations as set forth in this investment policy.
Custodial Credit Risk or the risk of loss due to a financial institution or counterparty failing, in that, the University would not receive the full value of its deposits held by such party. In accordance with the Illinois Public Funds Investment Act (30 ILCS 235), public funds on deposit, not covered by FDIC insurance, require pledged securities to be placed by financial institutions or counterparty. Collateral agreements are to provide for a third party custodian to hold such pledged securities. To mitigate custodial credit risk, all pledged securities on behalf of the University are held in an account in the name of Northern Illinois University.

Foreign currency risk or investments exposed to currency rate fluctuation are controlled by adherence to the Illinois Public Funds Investment Act (30 ILCS 235).

III. Advisors

The University at its discretion may utilize the services of external advisors to assist in the management of investments. The choice of advisors shall be determined by the Investment Committee appointed by the President. This committee shall include, but not be limited to, the Vice President for Administration and Finance, the Associate Vice President for Finance and Budget, the Controller, and the Director of Treasury Operations (non-voting).

IV. Limitations

Consistent with State Law and Board of Trustees Policy:

A. Foreign investments are prohibited.

B. Collateralization of Accounts.
   Whenever such funds retained by a State university or the Board of Trustees in its own treasury are deposited with a bank or savings and loan association and the amount of the deposit exceeds the amount of federal deposit insurance coverage, a bond or pledged securities shall be obtained. The State Finance Act limits the types of securities the State Treasurer may accept for amounts not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The market value of the bond or pledged securities shall at all times be equal to or greater than the uninsured portion of the deposit. (30 ILCS 105/6a-1a)

C. With authorization from the Investment Committee, the Associate Vice President for Finance and Budget may specify investment criteria that are more restrictive than those of this policy.

V. Authorized Investments

A. Board of Trustees

   1. Regulations

      The Board of Trustees Regulations §V.D.3. allow the combining of funds of the same category or classification in a single account with an authorized depository as long as the University’s books and records reflect the amount in each fund so deposited and the charges against each fund.

      Any amount of such deposits in excess of the amount reasonably necessary to meet the anticipated expenses of such funds may be invested in any investment permitted by the laws of the State of Illinois for the investment of public funds unless otherwise restricted by a bond or other legal covenant.

      In the event of a conflict between the regulations and the requirements of specific bond resolutions, the latter shall govern.
All funds not required to be paid into the State Treasury shall be deposited in banks authorized by the Board of Trustees to serve as depositories.

Each year the University shall file with the Board of Trustees a report of beginning balances, withdrawals, and ending balances for all bank accounts. In addition, a statement of investment policy shall be filed annually with the report on depositories.

2. Bond Funds and Other Debt Instruments

The Resolutions authorizing the issuance of revenue bonds and other debt instruments may place restrictions on the investment of these funds. The maturity of investments purchased should be aligned with drawdown and/or use of funds schedules. The investments are limited to those permitted by resolution or meet the requirements of this investment policy.

Consistent with Federal compliance requirements, the Director of Treasury Operations is responsible for monitoring arbitrage rebate calculations and transmitting any necessary filings with IRS.

3. Fund Depositories

a. University accounts shall be held in the name of Northern Illinois University.

b. Banking activities will be conducted in a manner that is in compliance with State Statute and Board of Trustees regulations.

c. The Board Treasurer is authorized to designate depositories at such locations that require local banking services away from the Northern Illinois University main campus. Consistent with Board of Trustees regulations all new depository relationships require specific board approval.

d. The Board Treasurer is authorized to delegate signature authority for a single specific purpose bank and/or investment account. The delegation involves University departments and/or agency relationships within the University.

B. State of Illinois - Investment of Public Funds (30 ILCS 235)

1. The State of Illinois authorizes investments in instruments guaranteed by the full faith and credit of the United States of America as to principal and interest.

2. The State of Illinois authorizes investments in bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.

For the purpose of defining permitted investments, the term “agencies of the United States of America” include:

a. federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C 2001 et seq.) and Acts amendatory thereto;

b. federal home loan banks and the federal home loan mortgage corporation; and

c. any other agency created by Act of Congress.

3. The State of Illinois authorizes investments in interest-bearing savings accounts, certificates of deposit or time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
4. The State of Illinois authorizes investments in short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if
   a. such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services,
   b. the maturity is not later than 180 days from the date of purchase,
   c. such purchases do not exceed 10% of the corporation's outstanding obligations, and
   d. no more than one-third of the public agency's funds may be invested in short-term obligations of corporations.

5. The State of Illinois authorizes investments in money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended. The portfolio is limited to those obligations described in V.B.1 and 2 above and to agreements to repurchase such obligations.

6. The State of Illinois authorizes investments only in banks which are insured by the Federal Deposit Insurance Corporation.

7. The State of Illinois authorizes investments in short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings and loan associations which are incorporated under the laws of Illinois or any other state or under the laws of the United States.
   a. Investments may be made only in those savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation.
   b. Securities may be purchased at the offering or market price at the time of purchase.
   c. Securities shall mature or be redeemable on a date or dates prior to the time when invested funds will be required for expenditure by the University.

8. The State of Illinois authorizes investment of funds with a credit union chartered under the laws of the State of Illinois or the United States, provided the principal office of the credit union must be located within the State of Illinois and the investments must be in accounts which are insured by applicable law.

9. The State of Illinois authorizes investment of funds in a Public Treasurers' Investment Pool, commonly known as Illinois Funds, created under Section 17 of the State Treasurer's Act, 15 ILCS 505/17.
   Any public agency may also invest any public funds in a fund managed, operated and administered by a bank.

10. Except for repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 and subject to the provisions of said Act and the regulations issued thereunder, the State of Illinois does not permit public agencies to purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of any public agency unless the instruments and the transaction meet the following requirements:
   a. The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois.
b. An authorized public employee or officer, after ascertaining which firm will give the most favorable rate of interest, directs the custodial bank to "purchase" specified securities from a designated institution. The "custodial bank" is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements. To the extent the Treasurer acts in this capacity, he/she is hereby authorized to pass through to such public agencies any charges assessed by the Federal Reserve Bank.

c. A custodial bank must be a member bank of the Federal Reserve System or maintain accounts with member banks. All transfers of book-entry securities must be accomplished on a Reserve Bank's computer records through a member bank of the Federal Reserve System. These securities must be credited to the public agency on the records of the custodial bank and the transaction must be confirmed in writing to the public agency by the custodial bank.

d. Trading partners shall be limited to banks or trust companies authorized to do business in the State of Illinois or to registered primary reporting dealers.

e. The security interest must be perfected.

f. The public agency enters into a written master repurchase agreement which outlines the basic responsibilities and liabilities of both buyer and seller.

g. Agreements shall be for periods of 330 days or less.

h. The authorized public employee or officer of the public agency informs the custodial bank in writing of the maturity details of the repurchase agreement.

i. The custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and any claims by the custodian are subordinate to the public agency's claims to rights to those securities.

j. The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent bank or trust company holding the obligations upon the written instruction of the public agency, public employee or officer authorized to make such investments.

k. The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.

VI. Management of Cash and Investments

A. Except as provided herein, the Director of Treasury Operations, under the direction of the Associate Vice President for Finance and Budget or the Investment Committee, shall be authorized to serve as the Chief Investment Officer on behalf of the University. The Director of Treasury Operations will develop procedures necessary to administer the Investment and Cash Management Policy.

B. The Director of Treasury Operations will establish written operational procedures and will develop internal controls appropriate to address loss prevention measures and regulate the activities of subordinate University staff.
VII. Disbursements and Transfers

There shall be a requirement for two designated individuals to authorize transactions related to investment settlements and/or cash transfers. Assigned employees may be delegated authority to initiate appropriate transfers of University investment assets and funds provided suitable safeguards and security considerations are followed in conducting such transactions.

VIII. Accountability and Reporting

A. The Associate Vice President for Finance and Budget shall be accountable to the Investment Committee for implementing this policy.

B. The Director of Treasury Operations shall make reports on the status of investments and cash management to the Committee at intervals established by the Investment Committee.

C. The Associate Vice President for Finance and Budget will review investment data with the Treasurer of the Board of Trustees at intervals established by the Investment Committee.

D. The Investment Committee will report quarterly to the Board of Trustees and the University President concerning the status and results of investment activity. At a minimum, the reports shall include information regarding securities held in the portfolio by class or type, income earned, book value, and market value as of the report date.

E. The Director of Treasury Operations will make available online information concerning investment of public funds in accordance with the State of Illinois Finance Act (30 ILCS 237) – Accountability for the Investment of Public Funds Act.

IX. Ethics and Conflicts of Interest

In accordance with Northern Illinois University Board of Trustees regulations, all employees are responsible for compliance with applicable state and federal laws, and University policies including the State Officials and Employees Ethics Act.

University employees involved in the investment process shall refrain from any actions and/or activity that would be in conflict with the proper execution of the investment program.

X. Adoption and/or Modification of Investment Policy

A. The Investment and Cash Management Policy and revisions shall be approved by the Northern Illinois University Board of Trustees.

B. The Investment and Cash Management Policy shall be made available upon request to the general public.
## NORTHERN ILLINOIS UNIVERSITY
### INVESTMENT HOLDINGS SUMMARY
#### June 30, 2016
**For Fiscal Year 2016**

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Purch Price/Ending Bal</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Percent of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Agency Notes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$51,691,094</td>
<td>$51,753,994</td>
<td>$51,913,431</td>
<td>34.26%</td>
</tr>
<tr>
<td><strong>Interest Bearing Cash Accounts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$25,604,802</td>
<td>$25,604,802</td>
<td>$25,604,802</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$28,977,680</td>
<td>$28,977,680</td>
<td>$28,977,680</td>
<td>19.12%</td>
</tr>
<tr>
<td><strong>Money Markets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$43,092,871</td>
<td>$43,092,871</td>
<td>$43,092,871</td>
<td></td>
</tr>
<tr>
<td>Project Funds</td>
<td>$9,997,970</td>
<td>$9,997,970</td>
<td>$9,997,970</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$53,090,841</td>
<td>$53,090,841</td>
<td>$53,090,841</td>
<td>35.05%</td>
</tr>
<tr>
<td><strong>US Treasury Notes/Bills:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$2,998,594</td>
<td>$2,999,809</td>
<td>$3,005,695</td>
<td></td>
</tr>
<tr>
<td>Project Funds</td>
<td>$14,506,641</td>
<td>$14,507,479</td>
<td>$14,531,528</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$17,505,235</td>
<td>$17,507,288</td>
<td>$17,537,223</td>
<td>11.57%</td>
</tr>
</tbody>
</table>

**TOTAL INVESTMENT HOLDINGS JUNE 30, 2016**

|                      | $151,264,850 | $151,329,803 | $151,519,175 | 100.00% |

**PREVIOUS YEAR HOLDINGS JUNE 30, 2015**

|                      | $193,471,934 | $193,541,346 | $193,503,588 |

---

### Market Value by Investment Type

- **Federal Agency Notes**: 34.26%
- **Interest Bearing Cash**: 19.12%
- **Money Markets**: 35.04%
- **US Treasury Notes/Bills**: 11.57%
## NORTHERN ILLINOIS UNIVERSITY
### INVESTMENT EARNINGS BY TYPE AND DURATION
**For Fiscal Year 2016**  
**July 1, 2015 - June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>June 30 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned</th>
<th>Annualized Rate 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>
</tr>
<tr>
<td>Illinois Funds</td>
<td>$ 43,092,871</td>
<td>$ 34,482,187</td>
<td>19.57%</td>
<td>$ 62,660</td>
<td>0.182%</td>
</tr>
<tr>
<td>Investment Accounts - Financial Institutions</td>
<td>$ 25,604,802</td>
<td>$ 27,986,514</td>
<td>15.88%</td>
<td>$ 54,090</td>
<td>0.193%</td>
</tr>
<tr>
<td>Investment Accounts - Project Funds</td>
<td>$ 13,370,848</td>
<td>$ 10,952,488</td>
<td>6.22%</td>
<td>$ 471</td>
<td>0.004%</td>
</tr>
<tr>
<td><strong>ST Investment Accounts Total</strong></td>
<td>$ 82,068,521</td>
<td>$ 73,421,189</td>
<td>41.67%</td>
<td>$ 117,221</td>
<td></td>
</tr>
<tr>
<td><strong>ST Investment Accounts Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.160%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$ 54,689,688</td>
<td>$ 84,256,149</td>
<td>47.81%</td>
<td>$ 891,285</td>
<td>1.058%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$ 14,506,641</td>
<td>$ 18,546,445</td>
<td>10.52%</td>
<td>$ 35,706</td>
<td>0.193%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities Total</strong></td>
<td>$ 69,196,329</td>
<td>$ 102,802,594</td>
<td>58.33%</td>
<td>$ 926,991</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Securities Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.902%</td>
</tr>
<tr>
<td><strong>COMBINED TOTAL</strong></td>
<td>$ 151,264,850</td>
<td>$ 176,223,783</td>
<td>100.00%</td>
<td>$ 1,044,212</td>
<td></td>
</tr>
<tr>
<td><strong>AVERAGE ANNUALIZED RATE OF RETURN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.59%</td>
</tr>
</tbody>
</table>
### Northern Illinois University
#### REPORT OF DEPOSITORIES
For the Year Ended June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amalgamated Bank - Chicago</td>
<td>Series 2010 Build America Bonds</td>
<td>$9,540,484.93</td>
<td>$4,000,110.32</td>
<td>$3,542,625.91</td>
<td>$9,997,969.34</td>
</tr>
<tr>
<td></td>
<td>Series 2011 Revenue Bonds</td>
<td>-</td>
<td>3,343,162.50</td>
<td>3,343,162.50</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Series 2014 Certificates of Participation</td>
<td>2,210.41</td>
<td>1,464,289.61</td>
<td>1,466,500.00</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$9,542,695.34</strong></td>
<td><strong>$8,807,562.43</strong></td>
<td><strong>$8,352,288.41</strong></td>
<td><strong>$9,997,969.36</strong></td>
</tr>
<tr>
<td>Bank of New York Mellon</td>
<td>Series 1993, Certificates of Participation</td>
<td>$650,383.68</td>
<td>$637,257.21</td>
<td>$635,963.34</td>
<td>$651,677.55</td>
</tr>
<tr>
<td>First National Bank - DeKalb</td>
<td>Investment</td>
<td>$3,461,447.17</td>
<td>$69,901,408.62</td>
<td>$73,011,434.41</td>
<td>$351,421.38</td>
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<tr>
<td></td>
<td></td>
<td><strong>$3,779,224.41</strong></td>
<td><strong>$94,489,269.45</strong></td>
<td><strong>$94,544,194.12</strong></td>
<td><strong>$3,724,299.74</strong></td>
</tr>
<tr>
<td>First Midwest Bank - Sycamore</td>
<td>Credit Card Account</td>
<td>$49,992.00</td>
<td>$66,585,480.74</td>
<td>$66,585,472.74</td>
<td>$50,000.00</td>
</tr>
<tr>
<td></td>
<td>Deposit Account</td>
<td>49,567.75</td>
<td>307,951,404.02</td>
<td>307,620,378.77</td>
<td>380,593.00</td>
</tr>
<tr>
<td></td>
<td>Disbursement Account</td>
<td>49,717.50</td>
<td>117,627,888.47</td>
<td>117,627,605.97</td>
<td>50,000.00</td>
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<tr>
<td></td>
<td>Investment Account</td>
<td>13,196,022.13</td>
<td>477,477,279.32</td>
<td>465,505,961.07</td>
<td>25,176,340.38</td>
</tr>
<tr>
<td></td>
<td>Payment Account</td>
<td>386,895.43</td>
<td>463,689,101.66</td>
<td>464,025,997.09</td>
<td>50,000.00</td>
</tr>
<tr>
<td></td>
<td>Payroll Account</td>
<td>91,379.01</td>
<td>159,033,918.43</td>
<td>159,039,256.80</td>
<td>86,040.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$13,823,573.82</strong></td>
<td><strong>$1,592,365,072.64</strong></td>
<td><strong>$1,580,404,672.44</strong></td>
<td><strong>$25,783,974.02</strong></td>
</tr>
<tr>
<td>US Bank- Minneapolis</td>
<td>Series 1992 Revenue Bonds</td>
<td>$0.00</td>
<td>$3,730,000.00</td>
<td>$3,730,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>US Bank- Springfield</td>
<td>NIU Operations- IL Funds</td>
<td>$43,227,591.85</td>
<td>$133,030,770.18</td>
<td>$133,165,490.94</td>
<td>$43,092,871.09</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$71,023,469.10</strong></td>
<td><strong>$1,829,329,931.91</strong></td>
<td><strong>$1,817,102,609.25</strong></td>
<td><strong>$83,250,791.76</strong></td>
</tr>
</tbody>
</table>

* Deposits and Withdrawals include interaccount transfers.

The balances and activity reflected on this report are taken from bank statements and may not necessarily reflect those amounts recorded in the university financial records due to reconciling items.
QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF $100,000
FOR THE PERIOD APRIL 1, 2016 TO JUNE 30, 2016

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>No. of Transactions</th>
<th>Appropriated</th>
<th>Non-Appropriated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $100,000</td>
<td>64</td>
<td>$4,464,490</td>
<td>$10,303,704</td>
<td>$14,645,694</td>
</tr>
</tbody>
</table>

TRANSACTIONS DETAIL:

Purchases:

1. Intercollegiate Athletics - increase the purchase order for a five-year contract for an electronic ticketing system for issuing tickets for the various venues at Northern Illinois University. The original five-year contract covered from FY13-17. Additional costs for credit card processing and small convenience charges generated when Huskie season ticket holders use the system to purchase tickets online require an increase to cover the amount due. Original President’s approval was received on March 30, 2012, and the first amendment was approved on February 8, 2013. The award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY16 (Ticketmaster LLC, Chicago, IL) Original amount: $191,650; Amendment amount: $8,350

2. Intercollegiate Athletics - increase an open order for third-party ticket sales services. The vendor performs sales and marketing activities to bolster ticket sales for Huskie Athletics. Original President’s approval was received on October 23, 2015. This purchase is exempt from the bid process per special permission of the Chief Procurement Officer for Higher Education as the contract was signed while the exemption still existed within the Procurement Code. Exempt specifically as a percentage of the sale of tickets by the vendor pays the vendor all applicable fees. FY16 (IMG Learfield Ticket Solutions LLC, Winston-Salem, NC) Original amount: $55,700; Amendment amount: $50,000

3. Health Services - issue an open order for outsourced laboratory services for the period July 1, 2016 - June 30, 2017. The existing PPB sole source approval is valid through June 30, 2020. This open order is governed by an ongoing contract. FY17 (Quest Diagnostics, Wood Dale, IL)

4. Office of the Bursar - increase the open order used to pay collection agency commissions for the Office of the Bursar during Fiscal Year 2016. When the original order was issued, it did not require President’s approval. Now that pre-approved IPHEC vendor orders require President’s approval, this amendment is submitted for approval. This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. FY16 (Enterprise Recovery Systems, Westchester, IL) Original amount: $75,000; Amendment amount: $25,000
5. Controller's Office - paid the University's portion of the federal share of the Single Audit of NIU for the period ending June 30, 2015. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. FY16 (State of Illinois – Office of the Auditor General, Springfield, IL) 101,794

6-16. Physical Plant - issue open orders for miscellaneous repairs and maintenance work to be done as needed on campus during the period July 1, 2016 – June 30, 2017. Services to be provided include, but are not limited to, exhaust systems, air handling equipment, landscaping, tree planting, lagoon/pond fixtures, roof repair, fire protection systems, elevators, mechanical services, general contracting, etc. Various bids with renewal options will be utilized for these orders. The renewal awards have been advertised in the Illinois Procurement Bulletin and have been waived by the PPB. FY17 2,172,000

Elliott & Wood Inc., DeKalb, IL
PO #160675 $200,000
Ballard Companies, Rockford, IL
PO #160690 $249,000
Sterling Commercial Roofing, Sterling, IL
PO #160685 $200,000
Anderson Elevator Co., Broadview, IL
PO #160670 $150,000
Swedberg Electric, Sycamore, IL
PO #160686 $200,000
Nelson Fire Protection, Rockford, IL
PO #160673 $150,000
Lake and Pond Solutions, Greenville, WI
PO #160688 $225,000
McCaulley Mechanical Construction, Bridgeview, IL
PO #160699 $150,000
Cooling Land Concepts, Cherry Valley, IL
PO #160697 $150,000
Sprinkmann Sons Corp., Rockford, IL
PO #160695 $249,000
Mechanical Inc., Freeport, IL
PO #160693 $249,000
Architectural and Engineering Services - issue open orders for miscellaneous project and maintenance work to be done as needed on campus during the period July 1, 2016 – June 30, 2017. Services/projects include, but are not limited to: fire alarm work, pre-cast and cast stone products, electrical, roofing, plumbing, masonry, environmental professional services, general construction, HVAC, concrete, mechanical, etc. Various bids with renewal options will be utilized for these orders. The renewal awards were advertised in the Illinois Procurement Bulletin and waived by the PPB. FY 17

Mechanical Inc., Freeport, IL
PO #160613 $200,000
Kelso Burnett Co., Rockford, IL
PO #160620 $249,000
Virgil Cook & Son Inc., DeKalb, IL
PO #160604 $150,000
Mid Valley Concrete, Somonauk, IL
PO #160612 $125,000
Sterling Commercial Roofing, Sterling, IL
PO #160615 $249,000
Ringland Johnson Inc., Cherry Valley, IL
PO #160600 $150,000
Driessen Construction, St. Charles, IL
PO #160518 $249,000
Simplex Grinnell, Madison, WI
PO #160543 $100,000
Hollander Intl. Storage & Moving, Elk Grove Village, IL
PO #160630 $150,000
Freeport Industrial Roofing, Inc., Freeport, IL
PO #160628 $249,000
High Voltage Electrical Testing/Maint. Inc., St. Charles, IL
PO #160634 $175,000
Otto Baum Co. Inc., Morton, IL
PO #160621 $249,000
Hygieneering Inc., Willowbrook, IL
PO #160625 $249,000
Irving Construction Co. Inc., DeKalb, IL
PO #160624 $150,000
Martin & Company, Oregon, IL
PO #160619 $249,000
McCauley Mechanical Construction, Bridgeview, IL
PO #160616 $200,000
Scandroli Construction Co., Rockford, IL
PO #160608 $150,000
Turner Construction Co., Chicago, IL
PO #160607 $100,000
Associated Electrical Contractors, Woodstock, IL
PO #160660 $249,000
Cooling Land Concepts, Cherry Valley, IL
PO #160669 $200,000
Curran Contracting, DeKalb, IL
PO #160668 $249,000
DeKalb Mechanical DeKalb, IL
PO #160667 $249,000

Total: 4,340,000
39. Transportation Services - issue an open order for charter bus services as needed during the period July 1, 2016 – June 30, 2017. This order is year five of a five-year renewal option from RFP wlc121167. FY17 (Sam VanGalder Bus Company, Janesville, WI)  
   130,000

40. The Division of Administration and Finance - open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (Enterprise Recovery Systems, Woodridge, IL)  
   190,000

41. The Division of Administration and Finance requests permission of an open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (National Credit Management, St. Louis, MO)  
   190,000

42. The Division of Administration and Finance requests permission of an open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (Conserve, Fairport, NY)  
   215,000

43. Division of Administration and Finance - an amendment is required to increase the order for outside legal services regarding litigation as it pertains to the MAP 292 Interest Arbitration case. Original President’s approval was received on March 4, 2016, and the first amendment was approved on April 22, 2016. This engagement is exempt from the Procurement Code under Section 30 ILCS 500/1-10(7) - litigation. FY16 (Laner Muchin, Chicago, IL) Original amount: $92,335; Amendment amount: $34,557  
   126,892

44. Intercollegiate Athletics - pay FY17 Membership Dues and Bowl Assessment Fees to the Mid-American (MAC) Conference. Membership in the MAC Conference requires financial support in the form of annual Membership Dues and also Bowl Assessment Fees for two annual Conference bowl games. This procurement is for the payment of these annual required Dues and Fees. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Mid-American Conference, Cleveland, OH)  
   245,000*

45. The Department of Marketing and Communications - establish a contract with ASGK Public Strategies, LLC, dba Kivvit for strategic issues management and crisis communications consulting services to provide advice, counsel, planning and implementation support on an as-needed basis for the management of issues that have a potential impact on the University’s reputation for the period July 1, 2016 – June 30, 2017. The proposal was opened on February 25, 2016. There are four, one-year renewal options. The intent to award this contract was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY16-17 (ASGK Public Strategies, LLC dba/Kivvit, Chicago, IL)  
   175,000*
46. The Division of Information Technology - issue an order for OnBase Software, Maintenance and Services. This system supports imaging solution implementations in the President's Office, Finance, Athletics, the Division of Information Technology, Military Student Services and the College Offices. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Hyland Software, Westlake, OH) 134,198

47. Outreach Services - renewal is required of an open order for educational material and data used for non-credit courses offered for preparation for Human Resource certifications for the period of July 1, 2016 - June 30, 2017. This is the fourth of nine, one-year renewal options. The sole source renewal was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Society for Human Resource Management, Eagan, MN) 150,000

48. Materials Distribution Center - renewal is required of open orders with the suppliers listed to provide commodities and repair parts needed for various maintenance and operational units of the University during the period July 1, 2016 – June 30, 2017. This is the third of four, one-year renewal options allowed for in a RFP that was opened on May 29, 2013. The renewal was advertised in the Illinois Higher Education Procurement Bulletin and has been waived by the PPB. FY17 (Splash of Color, Inc., Sycamore, IL) 109,000

49. Architectural and Engineering Services - issue open orders to obtain labor, material, and the necessary equipment for project work during the period July 1, 2016 – June 30, 2017. FY17 (Rush Power Systems, Kirkland, IL PO #160609/Bid #smo6116) 125,000

50. The Division of Information Technology - utilize the renewal option on Bid CAB156820 for the period July 1, 2016 – June 30, 2017 for 10 Gig ISP link for ISP services to DeKalb Wellness and Literacy Center located at 3100 Sycamore Road. This is the first of nine renewal options based on a bid opened September 29, 2015. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Syndeo Networks, Inc., St. Charles, IL) 162,000

51-52. The College of Engineering & Engineering Technology - issue orders for the planning and presentation of OSHA courses to be taught during the period October 1, 2016 - September 30, 2017. These orders are exempt from the Illinois Procurement Code, according to Section 30 ILCS 500/1-10(b)(8) [providing non-credit educational service]. FY17-18

Minnesota Safety Council, St. Paul, MN
PO #160194 $210,000
Northwest Wisconsin Technical College, Green Bay, WI
PO #160197 $110,000

53. Office of the Provost - an amendment is required to increase the order for executive search firm services to pay final invoices for the Dean of the College of Business search. Services include, but are not limited to, travel expenses, advertising, committee interviews, candidate travel, and miscellaneous office expenses. Approval to hire a search firm for this position was received from the Board of Trustees on June 18, 2015. Original President's approval was received on August 21, 2015. This vendor is exempt from the Illinois Procurement Code because the selected vendor is an IPHEC pre-approved vendor. FY16 (Witt/Kieffer, Oak Brook, IL) Original amount: $110,000; Amendment amount: $25,000 135,000*
54. The Office of Institutional Communications - enter into a contract for Chicagoland public relations representation. This engagement provides for promotion of Northern Illinois University specific to the greater Chicagoland area in an effort to bolster name brand recognition and drive increased enrollment and alumni awareness. The proposed contract is the result of RFP #JLT152459, which opened October 29, 2014. This is the first of nine, one-year renewal options. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (ASGK Public Strategies LLC, Chicago, IL)  

55. The Research & Innovation Partnerships department - established a Cooperative Research and Development Agreement (CRADA) with Fermi Research Alliance, LLC to establish a Cluster of Research Excellence (CRE) for Accelerator Physics and broaden the accelerator physics collaboration between NIU and Fermilab. The agreement is initially intended to last for five years and, if mutually agreed upon, may be renewed for additional five-year terms. Annex C: Creation of Laser Room for the High Brightness Electron Source Lab is part of the agreement. As part of the agreement, NIU is required to pay a $75,000 funds-in contribution in FY16 to implement Annex C of the CRADA. Board of Trustees approval to enter into the CRADA was given on February 18, 2016. This expenditure, considered a grant, is exempt from the Illinois Procurement Code. FY16-20 (Fermi Research Alliance, LLC, Chicago, IL)  

56. Material Distribution Center - establish an open order for miscellaneous commodities and repair parts required by the Material Distribution Center for the period of July 1, 2016 - June 30, 2017. The University of Illinois, in cooperation with Illinois Public Higher Education Institutions, collaborated with the Educational & Institutional Cooperative Service, Inc. (E & I) on a request for proposals for MRO Equipment, Supplies and Services. This RFP was advertised on the Illinois Procurement Bulletin and was awarded to W.W. Grainger, Inc. The offer is available to Illinois Public Higher Education Institutions, including NIU. FY17 (W.W. Grainger, Rockford, IL)  

57. Office of the Bursar - an amendment is required to increase the open order used to pay collection agency commissions for the Office of the Bursar during Fiscal Year 2016. Original approval was received on April 15, 2016. This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. FY16 (Enterprise Recovery Systems, West Chester, IL) Original amount: $100,000; Amendment amount: $15,000  

58. Facilities Management - enter into a ten-year lease for office space for Outreach Engagement & Regional Development. This procurement is exempt from the Procurement Code and does not require Illinois Procurement Bulletin posting per 30 ILCS 500/40-15(b)(1) - less than 10,000 square feet and rent of less than $100,000 per year. FY17-26 (Charles Shepard, Sycamore, IL)  

59. Vice President and Provost - an amendment is required to increase the amount of the order to cover final invoices for executive search firm services for the Dean of the College of Law search. The selected firm has been awarded by IPHEC for these services and this transaction is therefore exempt from Illinois Procurement Bulletin posting. FY16 (Witt/Kiefer, Atlanta, GA) Original amount: $100,000; Amendment amount: $22,500
60. Material Management - renewal is required of the open order used to purchase stock dishwashing products for University food service units for the period July 1, 2016 - June 30, 2017. This vendor also supplies and maintains, at no charge, necessary dispensing equipment for these products at each food service location. This is the fifth of nine, one-year renewal options allowed for in a bid that was opened on April 26, 2011. The renewal was advertised in the *Illinois Procurement Bulletin* and has been waived by the PPB. FY17 (Ecolab Inc. St. Paul, MN)  

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<tbody>
<tr>
<td></td>
<td>110,000</td>
</tr>
</tbody>
</table>

61. Materials Management - establish an open order for can liners for resale to University departments for the period July 1, 2016 - June 30, 2017. The University will utilize an Illinois Public Higher Education Cooperative (IPHEC) contract. The IPHEC RFP was advertised on the *Illinois Procurement Bulletin* and was awarded to Supplyworks. The offer is available to Illinois Public Higher Education Institutions, including NIU. FY17 (Supplyworks, Rockford, IL)  

<p>| | |</p>
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<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110,000</td>
</tr>
</tbody>
</table>

62. The Controller’s Office requests permission to pay the University’s portion of the Financial Statement Audit of NIU for the period ending June 30, 2015. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. FY16 (State of Illinois – Office of the Auditor General, Springfield, IL)  

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>186,990*</td>
</tr>
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</table>
**Capital Improvement Projects:**

1. Gabel Hall–Child Development Lab–Rooms 169-170 Replace Heating - The Child Development Lab provides a teaching and research facility for child development and early childhood professionals sponsored by the School of Family, Consumer, and Nutrition Sciences. The lab provides inclusive, full-day, mixed-age child care for infants, toddlers and preschoolers. The environment within the lab must be safe for young children, students, faculty and staff.

   Gabel Hall, constructed in 1960, has a low pressure steam radiant heating system along the perimeter walls of the building (radiant fin tube). The piping that supplies steam for the radiant baseboard heating system is located below the concrete floor slab. Recently the steam piping in the Child Development Lab developed several small pin-hole leaks that resulted in the concrete floor becoming excessively hot. This condition has occurred in other areas of Gabel Hall as well. The existing piping, installed when the building was constructed, is in very poor and deteriorating condition. This has created a serious health and safety issue that must be addressed.

   Work will be completed by a combination of certified contractors and NIU Craft under the supervision of an NIU project manager. The work will include disconnecting the steam supply and removal of existing fin tube radiation heating units. A new modern hot water heating system with improved temperature controls will be installed to replace the steam system. The new heating system will be sized to allow the entire south wing to be converted from steam to hot water heat in the future.

   **246,300**

2. Residence Halls - Fiscal Year 2017 Rotational Painting - There are areas in Stevenson Complex that require painting as part of a regular maintenance program to keep the building and facilities in good condition. Rotation painting will include those areas that are in the poorest condition. Generally, when areas are clean and aesthetically pleasing they are less likely to be vandalized and will encourage members of the University community to take pride in their surroundings.

   Physical Plant crafts will do the work. 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 be brought in for the repair of wall surfaces.

   **249,000**

**TOTAL**  
**14,645,694**

*Appropriated/Income Funds*
### ANNUAL SUMMARY REPORT
#### OBLIGATION OF FINANCIAL RESOURCES
**Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Purchase Orders</th>
<th>Percentage</th>
<th>Dollar Volume</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $25,000&lt;sup&gt;1&lt;/sup&gt;</td>
<td>4,274</td>
<td>84.3%</td>
<td>$20,854,741</td>
<td>9.7%</td>
</tr>
<tr>
<td>$25,001 to $100,000&lt;sup&gt;1&lt;/sup&gt;</td>
<td>562</td>
<td>11.1%</td>
<td>29,648,936</td>
<td>13.7%</td>
</tr>
<tr>
<td>$100,001 to $250,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>158</td>
<td>3.1%</td>
<td>27,160,901</td>
<td>12.6%</td>
</tr>
<tr>
<td>$250,001 to $500,000&lt;sup&gt;3&lt;/sup&gt;</td>
<td>43</td>
<td>.8%</td>
<td>14,945,409</td>
<td>6.9%</td>
</tr>
<tr>
<td>Over $500,000&lt;sup&gt;3&lt;/sup&gt;</td>
<td>35</td>
<td>.7%</td>
<td>123,470,919</td>
<td>57.1%</td>
</tr>
</tbody>
</table>

**TOTAL**

| 5,072 | 100.0% | $216,080,906 | 100.0% |

The Annual Summary Report on the Obligation of Financial Resources is required by the Board of Trustees Regulations and supplements the “Periodic Summary Report of Transactions” which is presented on a quarterly basis.

Transactions reported to and/or approved by the Board of Trustees throughout the fiscal year and those included in the Quarterly Summary Report of Transactions reflect the maximum approved amount that orders may not exceed. Pursuant to this authority, the Annual Summary Report outlined above reflects orders actually placed, including purchases, professional services and capital projects.

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<sup>1</sup> Authorizations for transactions less than $100,000 are approved at the university level (above $25,000 by the President).

<sup>2</sup> Authorizations for purchases and capital projects between $100,000 and $250,000 are approved by the President and periodically reported to the Board of Trustees.

<sup>3</sup> Authorizations for purchases and capital projects exceeding $250,000 are presented for approval by the Board of Trustees.
ROAD MAP FOR CENTRAL IT

Briefing presented at the meeting.
Agenda Item 8.h.
August 25, 2016

Information

FIVE-YEAR REPAIR AND IMPROVEMENT PLANNING UPDATE

Briefing presented at the meeting.