

Board of Trustees of Northeastern Illinois University
Finance, Buildings and Grounds Committee Meeting Minutes
May 14, 2024

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Tuesday, May 14, 2024 in the Student Union Golden Eagles Room located at 5500 N. St. Louis Avenue, Chicago, IL 60625. J. Todd Phillips, Chair of the Committee, called the meeting order at 2:08 p.m.

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

Also present: Katrina Bell-Jordan, Interim President; Karl Voigt, Assistant Secretary to the Board; vice presidents; students; staff; and University community members both in person and watching via video conference.

Motion to Permit Remote Participation

Trustee Wolff, seconded by Chair Phillips, made a motion to permit Trustee committee member Anna Meresidis' remote participation. Trustee Meresidis conferred with the Assistant Secretary in advance of the meeting and the absence meets with the criteria specified in Section 2.01 of the Illinois Open Meetings Act (5 ILCS 120) and the Board's Bylaws, Section II., A., 1.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Phillips: Yes Wolff: Yes

The motion carried.

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

Chair Phillips announced the opportunity for public comment. There were 3 registrations placed in advance.

1. **Mary Kroeck** representing the Civil Service Council
Topic: concern over the recent layoffs of NEIU Civil Service employees
2. **Rebekah Fitchett** representing AFSCME Local 1989
Topic: expressing concerns about recent Civil Service layoffs
3. **Mary Serio** representing AFSCME Local 1989
Topic: expressing concerns about recent Civil Service layoffs

Paula Wolff left the meeting at 2:15 p.m.

Chair's and President's Remarks

Interim President Bell-Jordan offered congratulations to the May 2024 graduates. The ceremony was well-attended as were the Academic Honors and Master's Hooding ceremonies.

Chair Phillips echoed the congratulations to recent graduates and remarked that the commencement ceremony was a very moving experience.

ITEMS FOR INFORMATION

3rd Quarter Budget to Actual Report

The Northeastern Illinois University Board of Trustees at its May 31, 2023 meeting approved the University’s preliminary operating budget. The final or revised operating budget was approved by the Board of Trustees on September 21, 2023.

The operating budget for FY2024 totals \$133,063,200, with an additional authorization for spending up to \$2.5 million by the Board. Of that total, \$85,300,000 is the University’s unrestricted general operating budget supported by State appropriation and student tuition. In addition, the University’s restricted funds budget amount of \$47,763,200 is supported by student fee programs, auxiliary services, grants, and contracts.

This report provides an update on third quarter spending in the unrestricted budget and is summarized in Table 1, which also includes a comparison with year-to-date spending for both FY2022 and FY2023.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2024 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDED MARCH 31, 2024
UNAUDITED FIGURES

	FY2022 Q3			FY2023 Q3			FY2024 Q3				FY24 vs FY23 ACTUALS	
	Adopted Budget	FY22 Actual YTD	% of Budget	Adopted Budget	FY23 Actual YTD	% of Budget	Adopted Budget	Current Budget	Actual Year to Date	% of Current Budget		
Revenue												
State Appropriations	\$ 35,566,900	\$ 35,263,283	99.1%	\$ 37,345,300	\$ 37,036,488	99.2%	\$ 39,960,000	\$ 39,960,000	\$ 39,923,855	99.9%	\$ 2,887,367	(A)
Net Tuition Revenue	50,780,200	44,054,649	86.8	42,172,200	40,673,732	96.4%	41,874,400	41,874,400	40,556,968	96.9%	(116,764)	(B)
Net Differential Tuition Revenue	692,000	766,822	110.8	972,400	721,802	74.2%	689,000	689,000	760,465	110.4%	38,663	(B)
Investment Income	400,000	43,172	10.8	1,000,000	2,094,435	209.4%	2,276,600	2,276,600	3,310,622	145.4%	1,216,187	(C)
All Other Sources	2,788,700	375,018	13.4	2,450,100	417,969	17.1%	500,000	500,000	672,611	134.5%	254,642	(D)
Total Revenue	\$ 90,227,800	\$ 80,502,944	89.2%	\$ 83,940,000	\$ 80,944,426	96.4%	\$ 85,300,000	\$ 85,300,000	\$ 85,224,521	99.9%	\$ 4,280,095	
Expenditures												
Personnel Services	\$ 71,683,348	\$ 47,565,706	66.4%	\$ 67,142,441	\$ 48,705,618	72.5%	\$ 67,901,380	\$ 68,176,508	\$ 50,412,341	73.9%	\$ 1,706,723	(E)
Contractual Services	12,805,062	6,919,987	54.0	11,208,876	8,070,312	72.0%	14,631,783	14,707,222	7,588,876	51.6	(481,436)	(F)
Equipment	787,215	171,991	21.8	846,410	362,463	42.8%	431,986	831,218	355,565	42.8	(6,898)	i
Commodities	877,788	289,113	32.9	775,075	339,923	43.9%	807,401	962,049	374,463	38.9	34,540	i
Telecommunications	222,872	93,828	42.1	176,422	87,630	49.7%	176,700	160,308	59,815	37.3	(27,815)	i
Travel	209,469	21,247	10.1	168,841	134,939	79.9%	197,750	238,439	144,690	60.7	9,751	i
Permanent Improvements	47,845	-	-	25,000	-	0.0%	25,000	23,834	-	-	-	i
Operation of Auto Equip	31,039	16,951	54.6	20,935	15,819	75.6%	21,000	42,580	20,661	48.5	4,842	i
Tuition Scholarships	1,330,162	902,628	67.9	1,299,000	1,140,031	87.8%	1,299,000	349,842	188,404	53.9	(951,627)	(G)
Debt Service	2,233,000	1,674,750	75.0	2,277,000	1,703,703	74.8%	2,308,000	2,308,000	1,705,586	73.9	1,883	i
Total Expenditures	90,227,800	57,656,201	63.9%	83,940,000	60,560,438	72.1%	87,800,000	87,800,000	60,850,401	69.3%	289,963	
<i>BOT Reserve Allocation</i>	-	-	-	-	-	-	(2,500,000)	(2,500,000)	-	-	-	i
Net Expenditures	\$ 90,227,800	\$ 57,656,201	63.9%	\$ 83,940,000	\$ 60,560,438	72.1%	\$ 85,300,000	\$ 85,300,000	\$ 60,850,401	71.3%	\$ 289,963	

Notes:

1. Adopted Budget column reflects the FY2024 budget presented to the Finance, Building and Grounds Committee on September 21, 2023.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date" or "Actual YTD" is current year expenses recorded or booked through April 24, 2024 and does not include encumbrances.

Table 2 provides a financial forecast for the unrestricted operating budget. This financial forecast builds upon the existing quarterly reporting and presentation structure of the budget-to-actual reports and incorporates separate forecasts for revenues and expenses. The revenue forecast is forward-looking and based on existing models used to build the University’s operating budget. The expense forecast is based on average historical spending by category and utilized data from the past five years. Additionally, the historical forecast is adjusted to account for new initiatives/funding sources, any anticipated new spending, and current commitments/ encumbrances.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2024 BUDGET TO FORECAST COMPARISONS
FOR THE PERIOD ENDED MARCH 31, 2024
UNAUDITED FIGURES

	Adopted Budget	Budget Adjustment	Adjusted Budget	Actual Year to Date as of 03/31/24	Forecasted Revenue/Expenses Thru 06/30/24	Annual Forecast	Adjusted Budget Vs Annual Forecast
Revenue							
State Appropriations	\$ 39,960,000	\$ -	\$ 39,960,000	\$ 39,923,855	\$ 36,145	\$ 39,960,000	\$ -
Net Tuition Revenue	41,874,400	-	41,874,400	40,556,968	2,585,723	43,142,691	1,268,291
Net Differential Tuition Revenue	689,000	-	689,000	760,465	38,819	799,284	110,284
Investment Income	2,276,600	-	2,276,600	3,310,622	1,121,438	4,432,060	2,155,460
All Other Sources	500,000	-	500,000	672,611	27,000	699,611	199,611
Total Revenue	85,300,000	-	85,300,000	85,224,521	3,809,125	89,033,646	3,733,646
Expenditures							
Personnel Services	67,901,380	275,128	68,176,508	50,412,341	17,948,216	68,360,557	(184,049)
Contractual Services	14,631,783	75,439	14,707,222	7,588,876	6,791,290	14,380,166	327,056
Equipment	431,986	399,232	831,218	355,565	454,144	809,709	21,509
Commodities	807,401	154,648	962,049	374,463	325,079	699,542	262,507
Telecommunications	176,700	(16,392)	160,308	59,815	38,700	98,515	61,793
Travel	197,750	40,689	238,439	144,690	60,405	205,095	33,344
Permanent Improvements	25,000	(1,166)	23,834	-	-	-	23,834
Operation of Auto Equip	21,000	21,580	42,580	20,661	21,919	42,580	-
Tuition Scholarships	1,299,000	(949,158)	349,842	188,404	161,438	349,842	-
Debt Service	2,308,000	-	2,308,000	1,705,586	582,233	2,287,819	20,181
Total Expenditures	87,800,000	-	87,800,000	60,850,401	26,383,424	87,233,825	566,175
BOT Reserve Allocation	(2,500,000)	-	(2,500,000)	-	-	-	-
Net Expenditures	85,300,000	-	85,300,000	60,850,401	26,383,424	87,233,825	566,175
Excess Revenue Over Expenditures	\$ -	\$ -	\$ -	\$ 24,374,120	\$ (22,574,299)	\$ 1,799,821	\$ 3,167,471

Notes:

- Adopted Budget column reflects the FY2024 budget presented to the Finance, Building and Grounds Committee on September 21, 2023.
- The Current Budget reflects budget transfers processed between organizations and accounts.
- "Actual Year to Date as of 03/31/24" is current year expenses recorded or booked through April 24, 2024 and does not include encumbrances.
- "Forecasted Revenue/Expenses Thru 06/30/24" is based on historical trends, adjusted for knowledge of new initiatives/projects or spendings.
- "Budget Adjustment" reflects net budget transfers processed between organizations and accounts.
- During FY2024, the University was awarded a State grant to provide academic, social emotional learning, basic needs, or other student supports. Portion of this funding, amounting to \$1.9 million, will be used towards related initiatives that were previously allocated funds from the University's FY24 unrestricted operating budget for contractual services and tuition scholarships.
- The total annual forecast for expenditures does not currently account for the BOT Reserves Allocation, thus, projecting the total expenditures to exceed the budget. The University, however, is anticipating to surpass its budgeted revenue, potentially eliminating the need to access the \$2.5 million BOT-approved reserves. This would allow the University to meet contractual obligations without tapping into the reserves.

Purchases of at least \$100,000 but less than \$250,000

Board of Trustees' Regulations require that the President report to the Board purchases of at least \$100,000 but less than \$250,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

VENDOR	DESCRIPTION	CONTRACT AMOUNT
Holabird & Root, LLC (Non-BEP)*	Architectural and engineering design services for the new Nursing Program Simulation Laboratory at EI Centro	\$162,800.00

*Holabird & Root, LLC BEP Subcontractors:

- Nest Builders, Inc. d/b/a dbHMS (18% - Hispanic Male)
- CCS International, Inc. (2% - Asian Male)

Construction and Signage Update

Richard Pauner, Interim Executive Director of Facilities, provided an update on the University's current construction projects. Of the 32 capital projects underway across the University, they are classified in the following way: marketing initiatives, risk mitigation, Capital Development Board projects, and miscellaneous projects. Marketing initiatives include continuous signage replacement and improvement across the University, the majority of which will be completed by Winter 2025. Risk mitigation projects include the campus pool repairs that are in the architectural and engineering contracting phase, and continued asbestos abatement in Bernard Brommel Hall (BBH). Capital Development Board projects currently underway include roof replacements on BBH and Lech Walesa Hall (LWH) and the HVAC replacement for LWH. The Business Innovation and Growth (BIG) Center renovations at both the Carruthers Center and in the main campus parking facility are expected to be complete by Spring 2025. Main campus sidewalk replacement continues in phases. Miscellaneous projects include dust collector replacement in the Steinberg Fine Arts Center, design phase for the Nursing Simulation Lab and Green Lab at El Centro, Chemistry Lab 210 and Data Lab 211 renovations in BBH, Building E Veterans Lounge renovation, and Carruthers Center for Inner City Studies tuckpointing project.

Trustees asked if the Veterans Lounge is exclusive to use by veterans. It is not an exclusive space, rather an affinity space.

Paula Wolff returned to the meeting at 3:00 p.m. Chair Phillips called for a 5-minute recess at 3:02 p.m.

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

FY2025 Preliminary Operating Budget

Interim Vice President for Finance and Administration, Beni Ortiz, reported on the FY2025 preliminary budget by reviewing the University's annual budget development timeline. Unrestricted operating revenues are expected to increase from the current \$85.3 million to \$90 million in FY25 which is attributed to a 2% increase in state appropriations. Based on current year actuals, the University is projecting tuition revenues for FY25 based on 115,544 credit hours. Enrollment Management goals for Fall 2024 are an 11% increase in new undergraduate enrollments over Fall 2023 and a 15% increase in graduate enrollments over Fall 2023. FY24 budgeted credit hours was 110,500. The FY24 fall/spring actuals are 112,989 with summer credit hours trending toward 11,898. Investment income is budgeted to be \$3.7 million over FY24 budget of \$1.5 million.

Unrestricted operating expenses are projected to increase to \$94.3 million, up from \$85.3 million in FY24. The increase in expenses is attributed to salary increases based on assumed or contracted wage increases. Non-personnel budgets are carried over at FY24 levels, unless otherwise adjusted. The University will have a salary salvage pool of \$2.3 million. NEST expenses are budgeted to be \$2.85 million. The resulting \$3.5 million imbalance will be covered through reductions in planned expenditures.

Restricted operating budget is projected to be \$59,416,909. Student fees revenues are based on projected credit hours (115,544) multiplied by \$85 per credit hour, less estimated bad debts. This also includes prior year carryover balance. Sales and auxiliary services revenues/expenses were projected by respective financial managers based on historical trends and anticipated operations. Grants revenues were projected by determining the number of existing grants that will continue in FY25 and estimating revenues/expenses based on available funding and historical trends. Indirect cost recovery comes from grant funding and internal service fees.

Trustee Wolff, seconded by Trustee Meresidis, moved to recommend approval of the FY25 Preliminary Operating Budget as presented.

Discussion: the final appropriations number will be known on or around May 24. The enrollment goals for FY25 may seem aggressive but they are not unreasonable. FAFSA changes make accurate projections difficult until awards are made. This is a preliminary budget and adjustments will be made prior to the September Board meeting when the final budget will be presented for approval. Trustees asked for Liesl Downey, Vice President for Institutional Advancement and Executive Director of the NEIU Foundation, to make a presentation on the Foundation's support provided to the University at a later time.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Committee Recommendation of Board Treasurer

Trustee Wolff, seconded by Trustee Meresidis, moved to recommend approval of Beni Ortiz, Interim Vice President for Finance and Administration, as the Board's Treasurer pursuant to section 25-30 of Northeastern Illinois University Law (110 ILCS 680) entitled "Ex officio treasurer."

Discussion: a five-million-dollar surety bond has been issued in the name of Beni Ortiz to replace the bond issued for Manish Kumar.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Motion to Convene in Closed Session

At 4:04 p.m. Trustee Wolff, seconded by Trustee Meresidis, moved to convene in Closed Session pursuant to Section 2(c)11 of the Illinois Open Meetings Act to discuss litigation matters.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Motion to Reconvene in Open Session

At 4:22 p.m. Chair Phillips, seconded by Trustee Wolff, moved to reconvene in Open Session. The motion carried by acclamation.

Old / New Business

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

Motion to Adjourn

At 4:38 p.m. Trustee Wolff, seconded by Chair Phillips, moved to adjourn. The motion carried by acclamation.

Respectfully submitted,

J. Todd Phillips, Chair of the Committee
Karl Voigt, Assistant Board Secretary
Approved September 19, 2024