

MEETING OF THE AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
JANUARY 22, 2025

This meeting of the Audit, Budget, Finance, and Facilities Committee of the Board of Trustees of the University of Illinois was held in the Isadore and Sadie Dorin Forum, Rooms D, E, and F, 725 West Roosevelt Road, Chicago, Illinois, on Wednesday, January 22, 2025, beginning at 2:23 p.m.

Trustee Ramón Cepeda, chair of the committee, convened the meeting and asked the secretary to call the roll. The following committee members were present: Mr. Ramón Cepeda; Mr. Lester H. McKeever Jr.,¹ treasurer; Mr. Wilbur C. Milhouse III; Ms. Ariana A. Mizan, student trustee, Urbana; Ms. Sarah C. Phalen; Mr. Jesse H. Ruiz. Ms. J. Carolyn Blackwell, Ms. Tami Craig Schilling, and Mr. Joseph Gutman attended as guests.

Also present were President Timothy L. Killeen; Dr. Nicholas P. Jones, executive vice president and vice president for academic affairs; Dr. Robert J. Jones, chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System; Dr. Marie Lynn Miranda, chancellor, University of Illinois Chicago, and vice president, University of Illinois System; Dr. Janet L. Gooch, chancellor, University

¹ Mr. McKeever attended via remote videoconference.

of Illinois Springfield, and vice president, University of Illinois System; Dr. Paul N. Ellinger, comptroller (and vice president/chief financial officer); Ms. Adrienne Nazon, vice president of external relations and communications; Mr. Scott E. Rice, University counsel; and Dr. Jeffrey A. Stein, secretary of the Board of Trustees and of the University.

OPENING REMARKS

Mr. Cepeda welcomed everyone to the meeting and asked if there were any comments or corrections to the minutes from the meeting held on November 13, 2024. On motion of Mr. Ruiz, seconded by Ms. Mizan, the minutes were approved. There were no “nay” votes.

REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON JANUARY 23, 2025

Mr. Cepeda asked specific individuals in attendance to provide presentations and report on the items that will appear on the Board’s agenda at its meeting on January 23, 2025. All proposed agenda items discussed at the meeting are on file with the secretary.

Prior to discussing these recommendations, Dr. Ellinger gave an update on the successful \$82.3 million refinancing that resulted in a net present value savings of \$5.5 million. He thanked Ms. Sarah Crane, senior director capital finance, treasury operations, for her work.

Approve Design for Swine Research Center Relocation and Modernization, Urbana

Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to approve the design for the Swine Research Center relocation and modernization in the College of Agricultural, Consumer and Environmental Sciences at Urbana. Dr. Ellinger gave some background on the project and introduced Mr. Robin Whitehurst, principal architect, and Mr. Michael Petti, senior associate architect, both from Bailey Edward Design, Inc., to give a design presentation (materials on file with the secretary). Mr. Whitehurst presented via remote videoconference while Mr. Petti attended in person. Mr. Whitehurst presented project parameters and a project summary and said the goal is to achieve LEED Silver certification. He showed the existing Swine Research Center site and buildings, and he discussed project imperatives, including compliance with California's Proposition 12, Farm Animal Confinement Initiative. Mr. Whitehurst showed an aerial view of the site phasing plan and presented a rendering of the proposed headquarters building, and he emphasized that the space would allow for greater hands-on teaching for students. He discussed education and research space and showed a depiction of the sow feeding building.

Dr. Ellinger asked Dr. Ryan N. Dilger, professor in the Department of Animal Sciences, College of Agricultural, Consumer and Environmental Sciences, Urbana, who was attending via remote videoconference, to comment. Dr. Dilger gave background on the project and described its impact and necessity, emphasizing the ability

to engage in hands-on education and increase competitiveness for federal research funding. He also remarked on Proposition 12 and animal welfare standards.

Approve Construction Manager Contract
for Replace West Side Back-Up Generators, Chicago

Next, Dr. Ellinger discussed the recommendation to approve a construction manager contract for the Replace West Side Back-up Generators project at Chicago. He gave an overview of the project and said the four generators that provide emergency power to the University of Illinois Hospital and adjacent buildings on the University of Illinois Chicago west campus in the event of a power outage have reached the end of their useful lifespan. He described the scope of work and said this recommendation would employ Berglund Construction Company, Chicago, for the professional services required for this project. He indicated firm's fees for this project would not exceed \$1,332,944.

Approve Project Budget and Award Construction Contract
for Replace HTHW Generator, Chicago

Dr. Ellinger then reported on the recommendation to approve the project budget and award a construction contract for the Replace HTHW Generator project at Chicago. He said the project would increase the production capacity and replace the aging equipment of the East Campus High-Temperature Hot Water (HTHW) system located in the Utilities Building. Dr. Ellinger said this project would install a new HTHW generator, along with necessary additional equipment. He said this recommendation would approve a project

budget of \$12,234,500 and would award a single-prime contract to Antarctic Mechanical Systems, Inc.

Approve Project Budget and Award Construction Contract
for Chiller Replacement, Chicago

Dr. Ellinger discussed the recommendation to approve the project budget and award a construction contract for the Chiller Replacement project at Chicago. He gave a history of the project and said it would increase the production capacity by replacing the aging and deteriorated equipment of the East Campus chilled water system located in the Utilities Building. Dr. Ellinger said additional equipment would also be installed. He said this recommendation would approve a project budget of \$12,460,800, and would award a single-prime contract to Antarctic Mechanical Systems, Inc.

Purchase Recommendations

Next, Mr. Cepeda asked Dr. Ellinger to report on purchase recommendations. Dr. Ellinger first discussed recommended purchases at Chicago, beginning with a recommended contract for implants and accessories for pain management through neuromodulation therapies from Medtronic USA, Inc. for the UI Hospital and Clinics. He described the many uses of these devices throughout UI Health, and he told the committee that these have been used at UI Health for more than 25 years. Dr. Ellinger said the estimated cost is \$8.0 million for five years.

Next, Dr. Ellinger reported on the recommended purchase of temporary staffing specializing in academic research administration and organizational evaluations

from Attain Consulting Group, LLC for the Office of the Vice Chancellor for Academic Affairs at Chicago. He said the cost is \$8.954 million over five years, and he shared information about request for proposal (RFP) that led to this recommendation. Dr. Ellinger listed the areas in which these services would be used, provided information about Attain Consulting, and said this procurement is vital to mitigate staffing shortages that could jeopardize the university's complex grant submissions.

Dr. Ellinger provided information regarding the recommended purchase of implants and accessories used in complex surgical cases from Biomet Microfixation for UI Hospital and Clinics. He described the rationale for the purchase, stating that these products are preferred by UI Hospital surgeons. Dr. Ellinger said that annual usage has increased significantly. He reviewed the number of surgeries in which these products were used in prior years and reported on the cost.

Dr. Ellinger discussed the recommended purchase of radiopharmaceuticals for the treatment of prostate cancer and gastroenteropancreatic neuroendocrine tumors at UI Hospital and Clinics from Novartis Pharmaceuticals. He said the cost is \$31.5 million for an estimated 56 months. Dr. Ellinger said this procurement would include two FDA-approved radiopharmaceuticals, and he described the use of these medications, both of which are administered as injections on an outpatient basis.

Next, Dr. Ellinger reported on recommended purchases at Urbana, beginning with the recommendation to purchase tenant improvements for a large metal additive manufacturing (LMAM) research center. Dr. Ellinger stated that the cost is \$1,618,908 and the vendor is Fox Development Corp. He said that due to limited space

on campus, additional lab space was leased to enable specialized space for the LMAM. He said it supports a Department of Defense grant contingent upon completion by June 2025 and will also be heavily used by students.

Dr. Ellinger then discussed a renewal option to provide golf course, restaurant, and pro shop management at Atkins Golf Club at Urbana for the period of March 15, 2025, through March 14, 2028, from Troon Golf, LLC. He gave background on the Atkins Golf Club and Troon Golf.

Lastly, Dr. Ellinger provided information regarding the recommended change order to increase the amount of the contract to provide hotel rooms, meeting space rental, audio/visual services, electrical, and other related conference expenses for the Sustainability Research and Innovation (SRI) Congress. He said the cost is estimated to be \$1,950,009 and the vendor is Cityfront Hotel Associates LP/Sheraton Grand Chicago. Dr. Ellinger told the committee that the University was selected as the host-partner for the 2025 SRI Congress, set for June 16 to 19, 2025, in Chicago, and he provided information about the SRI Congress and the benefits of hosting the event. He said work is underway to secure resources from the federal government and sponsors. President Killeen remarked on this opportunity for the University and State to exhibit leadership in this arena. He referred to contributions from federal agencies and provided information about the event.

Mr. Cepeda asked members of the committee if there were any questions regarding these purchases, renewals, and change orders. Mr. Ruiz asked for information about the Atkins Golf Club, and Dr. Ellinger stated that any shortfalls or profits are

managed by the Division of Intercollegiate Athletics at Urbana. He said the restaurant is newly opened and that it is early to assess profitability. Dr. Robert Jones reiterated this and described some of the challenges faced by the previous farm-to-table restaurant at the golf club. He referred to rebranding and said he hopes the new venture will be successful. Dr. Jones said the goal is to make the Atkins Golf Club a destination at the university. Mr. Cepeda asked about Troon Golf, and Dr. Ellinger described their experience with restaurants. He said he would provide additional information to members of the committee after the meeting.

There were no objections to these items being forwarded to the full Board for approval. Mr. Cepeda acknowledged Ms. Crane and expressed appreciation for her work and the work of her team on the successful \$82.3 million refinancing.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Cepeda asked if there was any new business, and there was none. He announced that the next meeting of this committee is scheduled for Wednesday, March 19, 2025, at 2:15 p.m., in Springfield.

MEETING ADJOURNED

On motion of Mr. Milhouse, seconded by Ms. Mizan, the meeting adjourned at 3:02 p.m.

There were no “nay” votes.

Respectfully submitted,

JEFFREY A. STEIN
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary