

MINUTES OF THE MONTHLY MEETING

OF THE

PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, April 2, 2019, at 3:30 p.m. CDT

The Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Chairman Novosad on April 2, 2019, in Room 404 of the Government Center, 115 East Washington Street, Bloomington, McLean County, Illinois.

Secretary Morel called the roll with the following members answering "present": Novosad, Zimmerman, Morel, Schultz (arrived at 3:35 p.m.), Reid, Fruin (arrived at 3:35 p.m.), and Fazzini. Messrs. Farnsworth and Harris were absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; County Director of Administrative Services Eric Schmitt; Mr. Jack Moody; Project Manager John Bishop of the Farnsworth Group, Inc.; and Dawn Carlson of MCK CPAs & Advisors (departed the meeting at 3:50 p.m.).

No members of the media, press, and/or radio were present.

Chairman Novosad began the meeting by welcoming Dawn Carlson of MCK CPAs & Advisors. Chairman Novosad thanked Ms. Carlson for her performance of the Commission's Fiscal Year 2018 Audit Report. Chairman Novosad then asked Ms. Carlson whether her old firm, Sulaski & Webb, CPAs, had merged with MCK CPAs & Advisors and Ms. Carlson answered in the affirmative. Ms. Carlson noted that MCK CPAs & Advisors was based out of Decatur and performed work for the Public Building Commission of Macon County.

Chairman Novosad next presented the Minutes of the March 5, 2019 Regular Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. Hearing none, Chairman Novosad asked for a Motion to approve the Regular Meeting Minutes. It was moved by Mr. Fruin and seconded by Mr. Zimmerman that the Minutes of the March 5, 2019 Regular Meeting be approved as submitted. Chairman Novosad called for a vote on the Motion to approve the Minutes and the Motion was unanimously approved by voice vote.

Chairman Novosad then called on Commission Treasurer James Mulligan to present the Treasurer's Report for the fiscal year. Mr. Mulligan first (1st) noted that, given the timing of the meeting, he had simply prepared a list of disbursements for the Commission to consider. Mr. Mulligan noted that the disbursements included thirty-six thousand two hundred ten dollars and

00/100 (\$36,210.00) in interest payments on the Series 2010 and 2013 Public Building Refunding Bond Issues. Mr. Mulligan noted that these payments needed to be made on or before May 1st. Mr. Mulligan further noted that the Commission had received a pledged security letter from Heartland Bank & Trust Co., which letter indicated that the Bank would be releasing certain of its pledges on Commission accounts as those accounts continued to reduce in value.

Mr. Mulligan next indicated that Ms. Carlson had completed both the Commission's Fiscal Year 2018 Audit Report and Annual Financial Report. Mr. Mulligan noted that he had recently submitted the Commission's Annual Financial Report to the Illinois State Comptroller's Office and that Commission Attorney Robert Porter had filed the Commission's Audit Report with the County Clerk's Office.

Mr. Porter stated that he filed the Commission's Fiscal Year 2018 Audit Report with the County Clerk on Thursday, March 28th. Mr. Porter next indicated that the *Public Building Commissions Act* requires the Commission to furnish a copy of its annual Audit Report to each of its appointing, member governments. Mr. Porter stated that he accordingly furnished McLean County, the City of Bloomington, the Bloomington-Normal Airport Authority, the Bloomington-Normal Water Reclamation District, and the District 87 School Board with copies of the Commission's Fiscal Year 2018 Audit Report.

Mr. Porter lastly noted that the Commission is required to upload a copy of its Fiscal Year 2018 Audit Report to the SEC's Municipal Securities Rulemaking Board via the Electronic Municipal Market Access within two hundred ten (210) days of the close of the Commission's Fiscal Year. Mr. Porter stated that this is necessary in order for the Commission to be in compliance with its continuing disclosure undertaking requirements as set forth in the Official Statements associated with the Series 2013 Public Building Refunding Bond Issue and the Series 2015 Public Building Revenue Bond Issue. Mr. Porter reminded the Commission that First Midstate, Inc. provides this service for the Commission. As a result, Mr. Porter noted that he had also provided First Midstate, Inc. with a copy of the Commission's Fiscal Year 2018 Audit Report.

Mr. Mulligan then stated that Ms. Carlson had worked with County Auditor Michelle Anderson in ensuring that the Commission and County's respective Fiscal Year Audit Reports reconciled.

Chairman Novosad then asked if there were any additional questions or comments for Mr. Mulligan on the Treasurer's Report. Hearing none, Chairman Novosad asked for a Motion to approve the Treasurer's Report and proposed payments as submitted. It was moved by Mr. Reid and seconded by Mr. Schultz to approve the Treasurer's Report and proposed payments as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next turned to the Commission's Fiscal Year 2018 Audit Report and Annual Financial Report and asked Ms. Carlson to present her work to the Commission. Ms. Carlson

began her remarks by thanking the Commission for giving her the opportunity to work on its Audit Report and Annual Financial Report. Ms. Carlson stated that preparing the Commission's Audit Report and Annual Financial Report was always an interesting project.

Ms. Carlson noted that MCK CPAs & Advisors was able to offer a "clean opinion" for the Commission's 2018 Fiscal Year Audit Report. Ms. Carlson then indicated that the Audit Report began with a "Management's Discussion and Analysis," which represented the Commission's interpretation of events. Ms. Carlson stated that she reviewed the information contained in the "Management's Discussion and Analysis" with both Mr. Mulligan and Mr. Porter.

Ms. Carlson then stated that the Commission's "Statement of Net Position" was featured on page six (6) of the Audit Report. Ms. Carlson indicated that the Commission's total current assets were valued at eight million eight hundred forty-three thousand one hundred thirteen dollars and 00/100 (\$8,843,113.00). Ms. Carlson then noted that the Commission's capitalized lease receivable stood at forty million five hundred eighty-four thousand seven hundred sixty-four dollars and 00/100 (\$40,584,764.00). Ms. Carlson stated that she had discussed this capitalized lease receivable with County Auditor Michelle Anderson and that the Commission's figure reconciled with the County's figure. Ms. Carlson relayed that the Commission ended its 2018 Fiscal Year with a total net position of eleven million seven hundred sixty-nine thousand seven hundred nine dollars and 00/100 (\$11,769,709.00).

Ms. Carlson next indicated that the Commission's "Statement of Revenues" was featured on page seven (7) of the Audit Report. Ms. Carlson stated that the Commission's construction costs stood at twenty-seven million one hundred thirty-three thousand four hundred two dollars and 00/100 (\$27,133,402.00) at the end of Fiscal Year 2018. Ms. Carlson indicated that the Commission's end-of-year net position increased by approximately one million five hundred thousand dollars and 00/100 (\$1,500,000.00) from 2017 to 2018.

Ms. Carlson further indicated that the Commission's "Statement of Cash Flows" was featured on page eight (8) of the Audit Report. Ms. Carlson stated that the Commission's investments in Fiscal Year 2018 were quite similar to those in Fiscal Year 2017.

Ms. Carlson thereafter noted that page fourteen (14) of the Audit Report features collateral amounts, page sixteen (16) features a list of outstanding bonds, and page nineteen (19) contains a summary of all bond issues combined. Ms. Carlson then indicated that page twenty-one (21) of the Audit Report featured the outstanding commitments for the Law & Justice Center Expansion Project.

Mr. Fazzini inquired as to whether the Commission could change its Fiscal Year to a different timeframe. In response, Mr. Porter indicated that the Fiscal Year was statutorily set and could not be changed.

Mr. Fazzini then asked why the Audit Report did not include a comparison between 2017 and

2018. Ms. Carlson responded by noting that a comparison was not required, but that she could include a comparison in future Audit Reports.

Mr. Fazzini further inquired as to the County's bond rating and Mr. Porter responded by noting that both the Commission and County have AA1 bond ratings.

Ms. Carlson also stated that MCK CPAs & Advisors prepared the Commission's Fiscal Year 2018 Annual Financial Report.

Chairman Novosad asked Ms. Carlson whether she interviewed Mr. Farnsworth as a part of completing the Commission's Audit Report and Ms. Carlson answered in the affirmative.

Mr. Zimmerman inquired about the types of questions that Ms. Carlson asked of Mr. Farnsworth and Ms. Carlson indicated that the questions primarily dealt with issues of fraud. Mr. Mulligan added that he and his staff were also interviewed by Ms. Carlson as a part of the audit process.

Mr. Fazzini asked Ms. Carlson whether the Commission had good controls in place. Ms. Carlson responded in the affirmative, noting that the Commission's small size made it easy to detect if something was awry.

Mr. Fruin then asked Ms. Carlson as to how long her firm had performed the Commission's Audit. In response, Ms. Carlson noted that her firm had performed the Commission's Audit for approximately fifteen (15) years. Mr. Fruin then suggested that the Commission consider rotating auditors as an external control. Mr. Fruin added that the Commission might discuss this at a future meeting.

Chairman Novosad asked if there were any additional questions or comments for Ms. Carlson on the Commission's Fiscal Year 2018 Audit Report. Hearing none, Chairman Novosad asked for a Motion to approve the Commission's Fiscal Year 2018 Audit Report. It was moved by Mr. Fruin and seconded by Mr. Schultz to approve the Commission's Fiscal Year 2018 Audit Report. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then asked if there were any additional questions or comments for Ms. Carlson on the Commission's Fiscal Year 2018 Annual Financial Report. Hearing none, Chairman Novosad asked for a Motion to ratify the submission of the Commission's Fiscal Year 2018 Annual Financial Report to the Illinois State Comptroller's Office. It was moved by Mr. Zimmerman and seconded by Mr. Fruin to ratify the submission of the Commission's Fiscal Year 2018 Audit Report to the Illinois State Comptroller's Office. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Ms. Carlson thereafter exited the meeting.

Chairman Novosad turned to the Commission's "Old Business" and asked Mr. Porter to address the annual Statement of Economic Interest filing requirement. Mr. Porter noted that the Commissioners should all have been contacted by the McLean County Clerk's Office regarding their annual obligation to file Statements of Economic Interest. Mr. Porter indicated that the Commissioners needed to submit their completed Statements of Economic Interest forms to the Clerk's Office by May 1st in order to avoid fines. Mr. Porter lastly asked all Commissioners to send him a copy of the receipts they receive from the Clerk's Office upon completion of their Statements of Economic Interest. Mr. Porter then added that the Commissioners should let him know if they wished to fill out a paper Statement of Economic Interest form as opposed to the online form.

Chairman Novosad asked if there were any additional questions or comments for Mr. Porter regarding the Statements of Economic Interest. Hearing none, Chairman Novosad turned to the Commission's "New Business" and asked Project Manager John Bishop of the Farnsworth Group, Inc., Mr. Jack Moody, and County Director of Administrative Services Eric Schmitt to discuss the architectural design, engineering services, and construction administration of the McLean County Law & Justice Center Expansion Project.

Mr. Bishop initially noted that work was continuing to progress nicely in the existing Jail facility. Mr. Bishop stated that all that remained was for River City Construction, LLC. to complete interior "finish-out work." Mr. Bishop specifically indicated that the flooring had been finished, the walls had been painted, and ceilings had been installed. Mr. Bishop stated that he hoped that the last of the case work would arrive this week.

Mr. Bishop then showed the Commission three (3) photographs of the exterior of the new Jail facility, a photograph of the remodeled observation areas in the existing Jail facility, a photograph of the remodeled isolation cells in the existing Jail facility, a photograph of the examination rooms in the existing Jail facility, a photograph of remodeled office space in the existing Jail facility, a photograph of the existing Jail's recreation yards, and a photograph of the remodeled multi-purpose rooms in the existing Jail facility.

Mr. Bishop further presented the Commission with River City Construction, LLC.'s most recent cost flow analysis. Mr. Bishop noted that the cost flow analysis showed that the Project stood at ninety-six percent (96%) expended and ninety-one percent (91%) time elapsed.

Chairman Novosad then asked Mr. Bishop whether all punch list work had been completed. Mr. Bishop responded by noting that small punch list items still remained to be completed.

Chairman Novosad asked whether the new Jail facility was fully occupied and Mr. Schmitt responded in the negative. Mr. Schmitt did note, however, that the new Jail facility was partially occupied by female and special needs detainees.

Mr. Bishop then indicated that remodeling work to the existing Jail facility's "J Block" would be completed in the very near future.

Chairman Novosad asked whether the Sheriff was pleased with the new Jail facility and Mr. Schmitt responded in the affirmative.

Chairman Novosad then asked if there were any additional general questions or comments regarding the status of the McLean County Law & Justice Center Expansion Project. Hearing none, Chairman Novosad asked Mr. Bishop to address the proposed Change Order increasing the contingency allowance for the Law & Justice Center Expansion Project.

Mr. Bishop initially noted that Allowance Authorization Fourteen (14) reduced the Commission's remaining contractual contingency fund to approximately nineteen thousand dollars and 00/100 (\$19,000.00). Mr. Bishop then stated that he felt reasonably confident that increasing the contractual contingency fund by an additional four hundred thousand dollars and 00/100 (\$400,000.00) would be more than sufficient to cover the balance of the Project. Mr. Bishop stated that he was currently reviewing one hundred thirteen thousand dollars and 00/100 (\$113,000.00) in proposed changes and knew of an additional two hundred twenty-seven thousand dollars and 00/100 (\$227,000.00) worth of changes that still needed to be processed and reviewed.

Mr. Porter noted that the Commission had yet to actually receive Allowance Authorization Fifteen (15).

Chairman Novosad asked Mr. Bishop whether there had been a change in Allowance Authorization Fourteen (14). Mr. Bishop responded by noting that he had inadvertently double counted the cost of one (1) of the individual items on Allowance Authorization Fourteen (14). Mr. Bishop noted that this had the effect of reducing the total dollar amount of Allowance Authorization Fourteen (14) by nine thousand four hundred dollars and 00/100 (\$9,400.00).

Mr. Zimmerman asked whether Allowance Authorization Fifteen (15) would be in the amount of two hundred twenty seven thousand dollars and 00/100 (\$227,000.00). In response, Mr. Bishop stated that he did not yet know the total cost of Allowance Authorization Fifteen (15). Mr. Bishop stated that he was expecting three hundred forty thousand dollars and 00/100 (\$340,000.00) in final changes. **Mr. Bishop added that he had been assured by the foreman that there would be no more changes beyond the three hundred forty thousand dollars and 00/100 (\$340,000.00).**

Chairman Novosad then asked if there were any additional questions or comments regarding the proposed Change Order. Hearing none, Chairman Novosad asked for a Motion to approve Change Order Six (6), which would place an additional four hundred thousand dollars and 00/100 (\$400,000.00) in contractual contingency. It was moved by Mr. Reid and seconded by Mr. Fruin to approve Change Order Six (6). Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next stated that the Commission had received an invoice from the Farnsworth Group, Inc. on March 26, 2019 in the amount of nineteen thousand five hundred sixty-seven dollars and 30/100 (\$19,567.30). This amount represented the fee incurred by the Farnsworth Group, Inc. during the month of March 2019.

Chairman Novosad asked Mr. Moody whether the invoice was in order. Mr. Moody indicated that the invoice was in order and that it represented costs associated with the completion of ninety-four percent (94%) of the Project's construction phase.

Chairman Novosad asked if there were any questions or comments regarding the Farnsworth Group, Inc.'s March 2019 invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to the Farnsworth Group, Inc. in the amount of nineteen thousand five hundred sixty-seven dollars and 30/100 (\$19,567.30) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for services rendered on the Law & Justice Center Expansion Project during the month of March 2019. It was moved by Mr. Schultz and seconded by Mr. Zimmerman to approve payment to the Farnsworth Group, Inc. in the amount of nineteen thousand five hundred sixty-seven dollars and 30/100 (\$19,567.30) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for services rendered on the Law & Justice Center Expansion Project during the month of March 2019. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next noted that the Commission had been presented with an invoice from River City Construction, LLC. on March 27, 2019 in the amount of five hundred ten thousand nine hundred forty dollars and 13/100 (\$510,940.13). This amount represented the fee incurred by River City Construction, LLC. during the month of March 2019. Chairman Novosad asked Mr. Moody whether the fee was in order and Mr. Moody responded in the affirmative. Chairman Novosad asked Mr. Bishop whether he had approved the invoice and Mr. Bishop responded in the affirmative.

Chairman Novosad asked if there were any additional questions or comments regarding River City Construction, LLC.'s March 2019 invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to River City Construction, LLC. in the amount of five hundred ten thousand nine hundred forty dollars and 13/100 (\$510,940.13) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for services rendered on the Law & Justice Center during the month of March 2019. It was moved by Mr. Zimmerman and seconded by Mr. Fazzini to approve payment to River City Construction, LLC. in the amount of five hundred ten thousand nine hundred forty dollars and 13/100 (\$510,940.13) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for services rendered on the Law & Justice Center Expansion Project during the month of March 2019. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next noted that McLean County was requesting reimbursement from the Commission in the amount of seven thousand one hundred fifty-five dollars and 15/100 (\$7,155.15) for FF&E items purchased as a part of the Law & Justice Center Expansion Project. Chairman Novosad asked Mr. Schmitt to address this matter further with the Commission.

Mr. Schmitt stated that the County spent one hundred nineteen dollars and 88/100 (\$119.88) on trash cans, five hundred five dollars and 29/100 (\$505.29) on janitorial supplies, four hundred twenty-three dollars and 75/100 (\$423.75) on liquid soap dispensers, two hundred thirteen dollars and 33/100 (\$213.33) on baby changing stations, four hundred fifty-four dollars and 16/100 (\$454.16) on mop buckets, eight hundred twenty-eight dollars and 00/100 (\$828.00) on compliance signs, one thousand three hundred fifty-nine dollars and 96/100 (\$1,359.96) on vacuums, three hundred ninety-five dollars and 97/100 (\$359.97) on office supplies, and two thousand two hundred ninety-five dollars and 00/100 (\$2,295.00) on fire-resistant wastebaskets.

Mr. Porter reminded the Commission that it had budgeted four hundred thousand dollars and 00/100 (\$400,000.00) for FF&E as a part of the Law & Justice Center Expansion Project. Including the latest reimbursement request, Mr. Porter noted that the Commission had spent one hundred seventy-three thousand eight hundred seventy-six dollars and 87/100 (\$173,876.87) of its four hundred thousand dollar and 00/100 (\$400,000.00) FF&E budget.

Chairman Novosad asked Mr. Schmitt whether he felt confident that the County would not exceed four hundred thousand dollars and 00/100 (\$400,000.00) on FF&E and Mr. Schmitt responded in the affirmative.

Chairman Novosad asked if there were any additional comments or questions regarding the reimbursements requests. Hearing none, Chairman Novosad asked for a Motion to approve reimbursing McLean County in the amount of seven thousand one hundred fifty-five dollars and 15/100 (\$7,155.15) from the Series 2015 Public Building Revenue Bond Issue's Project Fund. It was moved by Mr. Reid and seconded by Mr. Fruin to reimburse McLean County in the amount of seven thousand one hundred fifty-five dollars and 15/100 (\$7,155.15) from the Series 2015 Public Building Revenue Bond Issue's Project Fund. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then stated that the County had paid Ideal Environmental Engineering, Inc. in the amount of one thousand ninety dollars and 00/100 (\$1,090.00) for asbestos monitoring work and asked Mr. Schmitt to address this matter.

Mr. Schmitt stated that the invoice was for Ideal Environmental Engineering, Inc.'s final phase of monitoring for asbestos remediation in the existing Jail's medical area. Mr. Schmitt indicated that Ideal Environmental Engineering, Inc.'s invoice was the final asbestos-related invoice on the Law & Justice Center Expansion Project.

Chairman Novosad asked if there were any questions or comments regarding the County's reimbursement request. Hearing none, Chairman Novosad asked for a Motion to approve payment to McLean County in the amount of seven thousand one hundred fifty-five dollars and 00/100 (\$7,155.00) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for reimbursement of amounts paid to Ideal Environmental Engineering, Inc. It was moved by Mr.

Fazzini and seconded by Mr. Schultz to approve payment to McLean County in the amount of one thousand ninety dollars and 00/100 (\$1,090.00) from the Series 2015 Public Building Revenue Bond Issue's Project Fund for reimbursement of amounts paid to Ideal Environmental Engineering, Inc. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then inquired whether there was any "Other Business" before the Commission. In response, Mr. Porter noted that he was happy to announce that he and his wife, Stephanie, were expecting their first (1st) child in July.


Mr. Zimmerman then asked Mr. Bishop when retainage would be released for the sub-contractors. Mr. Bishop responded by noting that retainage had been reduced to five percent (5%) and would be released as sub-contractors applied for it.

Chairman Novosad then asked whether any Commissioner had any additional "Other Business" to discuss before the Commission. Hearing none, Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Zimmerman and seconded by Mr. Fazzini to adjourn and the Motion was unanimously approved by voice vote. The Regular Meeting was adjourned at 4:28 p.m.

The next meeting of the Commission will be Tuesday, May 7, 2019, at 3:30 p.m.

APPROVED:

May 7, 2019


JOHN L. MOREL,
Secretary, Public Building Commission

