

MINUTES OF THE MONTHLY MEETING
OF THE
PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, August 1, 2017, 3:30 p.m. CDT

The Regular Meeting of the Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Chairman Novosad on August 1, 2017 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": Messrs. Novosad, Morel, Zimmerman, Funk, Harris, Farnsworth, Schultz, and Reid. Mr. Good was absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; McLean County Administrator Bill Wasson; McLean County Director of Facilities Management Jack Moody; McLean County Director of Administrative Services Eric Schmitt; Project Manager John Bishop of the Farnsworth Group, Inc; Project Manager Matt Brown of River City Construction, LLC.; and Aaron Quick of the Farnsworth Group, Inc.

Edith Brady-Lunny of *The Pantagraph* was present. No other members of the media, press, and/or radio were present.

Chairman Novosad introduced Terry L. Reid to the Commission as its newest Commissioner. Chairman Novosad noted that Mr. Reid had been appointed to the Commission by the Bloomington-Normal Airport Authority and asked Mr. Reid to say a few words about himself. Mr. Reid told the Commission that he has worked in the construction field for all of his life. Mr. Reid stated that he moved from Peoria to Bloomington in 1986. At that time, Mr. Reid was employed by Kajima and was performing work for Diamond Star. Mr. Reid stated that he is currently self-employed.

Chairman Novosad next presented the Minutes of the July 11, 2017 Rescheduled Meeting of the Commission for approval. Chairman Novosad asked if there were any corrections, additions, and/or revisions to the Minutes. Hearing none, Chairman Novosad asked for a Motion to approve the Rescheduled Meeting Minutes. It was moved by Mr. Harris and seconded by Mr. Zimmerman that the Minutes of the July 11, 2017 Rescheduled 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 asked Commission Treasurer James Mulligan to present the Treasurer's Report for the fiscal year. Mr. Mulligan noted that, due to the timing of the meeting, he would only be distributing a disbursement list for approval. Mr. Mulligan specifically indicated that

he had yet to receive all of the Commission's bank account statements for the month of July 2017. Mr. Mulligan further relayed that he would have a more complete Treasurer's Report ready for the Commission's September meeting.

Chairman Novosad then asked if there were any 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. Funk and seconded by Mr. Farnsworth that the Treasurer's Report and proposed payments be approved as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Mr. Schultz then excused himself from the meeting.

Chairman Novosad next turned to the Commission's "Old Business" and noted that the Commission devoted a considerable portion of its July 11th Rescheduled Meeting to discussing the portion of the Commission's "Project Fund" invested in an eighteen (18)-month certificate of deposit at Bloomington-Normal Community Bank. Chairman Novosad noted that this certificate of deposit contained approximately twenty-two million seven hundred fifty thousand dollars and 00/100 (\$22,750,000.00) and matured on July 29th. Chairman Novosad indicated that the Commission would need to keep twelve million seven hundred fifty thousand dollars and 00/100 (\$12,750,000.00) of the foregoing amount liquid to meet upcoming construction expenses as laid out by Matt Brown of River City Construction at the July 11th meeting. Chairman Novosad reminded the Commission that Bloomington-Normal Community Bank had pledged to pay the Commission five (5) basis points above the Treasury rate on any internal certificate of deposit at the date of reinvestment.

Chairman Novosad reminded the Commission that it voted to authorize Mr. Mulligan to invest up to forty-two million five hundred thousand dollars and 00/100 (\$42,500,000.00) in internal bank certificates of deposit at Bloomington-Normal Community Bank at its January 5, 2016 meeting. Chairman Novosad then indicated that, since that date, Mr. Mulligan had re-invested Project Fund dollars in internal certificates of deposit at Bloomington-Normal Community Bank on July 29, 2016 and January 29, 2016, respectively.

Chairman Novosad stated that, at the time of the initial investment, placing the Commission's Series 2015 Public Building Revenue Bond Issue's proceeds with Bloomington-Normal Community Bank made more sense than placing the proceeds with other institutions in terms of yield and risk. Chairman Novosad also added that Bloomington-Normal Community Bank has been good to work with.

Chairman Novosad then noted that a discussion arose following the July 11th rescheduled meeting as to whether the Commission could achieve a better yield at a different institution. As a result, Chairman Novosad stated that he felt it was appropriate for the Commission to discuss whether it wished for various banks to submit proposals for the investment of the ten million dollars and 00/100 (\$10,000,000.00) in question for up to one (1) year. Chairman Novosad noted that the

Commission could be looking at a difference in yield of approximately ten thousand dollars and 00/100 (\$10,000.00) at a different institution.

Mr. Farnsworth then stated that the Commission had engaged in a fair amount of due diligence when it elected to place the Bond proceeds with Bloomington-Normal Community Bank in January 2016. Mr. Farnsworth added that obtaining new investment proposals did not make much sense in light of River City Construction's drawdown schedule as well as the small potential yield difference that Chairman Novosad was discussing.

Chairman Novosad then added that the Commission would always seek various investment proposals for the investment of new Bond proceeds or other unrestricted funds.

Mr. Zimmerman stated that it felt as if the Commission had just considered this issue.

Both Messrs. Morel and Harris indicated their belief that the Commission was doing its due diligence and Mr. Funk indicated that the amount of work that would go into obtaining proposals did not outweigh the potential yield.

Commission Attorney Robert Porter then noted that the Commission would likely not be in a position to ladder out the proceeds of those certificates of deposit at Bloomington-Normal Community Bank set to mature in the future given the expected need to have more liquid funds to meet construction expenses. Therefore, Mr. Porter indicated that he, along with Chairman Novosad and Mr. Mulligan, wanted to provide the Commission with an opportunity to review this issue for what would likely be the final time.

Chairman Novosad then asked whether any Commissioner wished to make a Motion to seek new proposals from banking institutions for the investment of ten million dollars and 00/100 (\$10,000,000.00) in a one (1)-year investment vehicle. Hearing no Motions, Chairman Novosad stated that the Commission would proceed as discussed at its July 11, 2017 Rescheduled Meeting and pursuant to the authority it gave Mr. Mulligan at the January 5, 2016 meeting. Namely, Mr. Mulligan would re-invest ten million dollars and 00/100 (\$10,000,000.00) of the Commission's maturing eighteen (18)-month certificate of deposit at Bloomington-Normal Community Bank into a twelve (12)-month certificate of deposit at Bloomington-Normal Community Bank. The balance of the maturing funds will be deposited into the Commission's "Project Fund" checking account at Bloomington-Normal Community Bank.

Mr. Schultz returned to the meeting.

Chairman Novosad next turned to the Commission's "New Business" and asked County Director of Facilities Management Jack Moody, County Administrator Bill Wasson, County Director of Administrative Services Eric Schmitt, Project Manager John Bishop, and Project Manager Matt Brown to discuss the McLean County Law & Justice Center Expansion Project.

Mr. Moody initially noted that construction meetings between representatives of McLean County, the Farnsworth Group, and River City Construction have been ongoing. Mr. Moody further relayed that River City Construction had recently been pouring foundation walls and that plumbing work would begin on August 2nd. Mr. Moody also indicated that steel would be arriving on site within one (1) weeks' time. Mr. Moody stated that he "could not be more pleased" with the progress of construction.

Mr. Bishop then indicated that the Farnsworth Group was continuing to coordinate with MEP contractors on routing. Mr. Bishop further stated that River City Construction and the Farnsworth Group were having ongoing conversations with the electrical contractors. Mr. Bishop next stated that steel erection would begin within one (1) months' time.

Mr. Bishop then showed the Commission photographs of the Project site that were taken the morning of the Commission's meeting. Mr. Bishop specifically showed the Commission an image of the area that is set to become the northwest visitor's entrance, an image of the foundation wall along East Street, an image of the foundation footings and rebar, an image of the areas set to become the internal elevator shafts, an image of the entire site looking west, an image of the entire site looking east, and an aerial image of the site.

Mr. Moody then indicated that he has never before seen such a clean project site.

Project Manager Matt Brown noted that River City Construction's July 2017 invoice was approximately one hundred sixty-four thousand dollars and 00/100 (\$164,000.00) less than projected in River City Construction's Cost Flow Analysis.

Mr. Bishop indicated that negotiations with the Project's steel supplier might impact the Cost Flow Analysis. In particular, the steel supplier has requested that its retainage be released upon the delivery of the steel. Mr. Bishop stated that, even if the retainage were released, the steel would still be subject to warranty for the applicable period under the Owner-Contractor Agreement.

Mr. Reid inquired whether the retainage could be reduced by a percentage upon delivery as opposed to entirely released.

Mr. Brown stated that the Commission might consider releasing the retainage to the steel supplier upon the Project's fifty-percent (50%) completion mark.

Mr. Porter then noted that the Owner-Contractor Agreement already enables the Commission to release certain retainage to those subcontractors who have completed their work upon the Project's fifty-percent (50%) completion mark.

Mr. Harris asked Mr. Porter whether the Owner-Contractor Agreement ties the Commission's

authority to release retainage to any metrics like the Project being on schedule. Mr. Porter responded in the negative, but made clear that the Owner-Contractor Agreement provides that the release of retainage at the fifty-percent (50%) completion mark is entirely within the Commission's discretion. Thus, the Commission could simply elect not to release retainage at the fifty-percent (50%) completion mark if, for instance, the steel was not delivered on time or was defective.

Chairman Novosad then asked if there were any additional questions for Messrs. Moody, Bishop, or Brown regarding the status of the McLean County Law & Justice Center Expansion Project. Hearing none, Chairman Novosad noted that the Commission had been presented with an invoice from the Farnsworth Group in the amount of forty-nine thousand eight hundred fifteen dollars and 40/100 (\$49,815.40). This amount represented the fee incurred by the Farnsworth Group during the month of July.

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 twenty-two percent (22%) of the Project's construction phase.

Chairman Novosad asked if there were any questions or comments regarding the Farnsworth Group's July invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to the Farnsworth Group in the amount of forty-nine thousand eight hundred fifteen dollars and 40/100 (\$49,815.40) 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 July 2017. It was moved by Mr. Zimmerman and seconded by Mr. Harris to approve payment to the Farnsworth Group in the amount of forty-nine thousand eight hundred fifteen dollars and 40/100 (\$49,815.40) 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 July 2017. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next indicated that the Commission had been presented with an invoice from River City Construction in the amount of one million one hundred ninety-seven thousand two hundred sixty-one dollars and 90/100 (\$1,197,261.90). This amount represented the fee incurred by River City Construction during the month of July.

Chairman Novosad then asked if there were any questions or comments regarding River City Construction's July invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to River City Construction in the amount of one million one hundred ninety-seven thousand two hundred sixty-one dollars and 90/100 (\$1,197,261.90) 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 July 2017. It was moved by Mr. Harris and seconded by Mr. Farnsworth to approve payment to River City Construction in the amount of one million one hundred ninety-seven thousand two hundred sixty-one dollars and 90/100 (\$1,197,261.90) 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 July 2017. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next reminded the Commission that it would be holding a fiftieth (50th) anniversary open house on September 12th. Chairman Novosad stated that the event would be held in the Old Courthouse building and would immediately follow the Commission's rescheduled September 2017 meeting, which would also take place at the Old Courthouse.

Mr. Porter noted that he had provided that Commissioners with a "DRAFT" informational pamphlet, which would be distributed at the open house. Mr. Porter asked the Commissioners to review the "DRAFT" informational pamphlet and provide him with any feedback. Mr. Porter similarly noted that the Commissioners had been provided with an invitation list and he asked that the Commissioners provide him with any feedback on the same.

Mr. Farnsworth asked whether the media would be invited and Chairman Novosad responded in the affirmative. Chairman Novosad described the open house as an informal "meet-and-greet" with brief remarks. Chairman Novosad also indicated that the Farnsworth Group would likely provide a presentation regarding the Law & Justice Center Expansion Project.

Chairman Novosad then asked whether any Commissioner had any "Other Business" to discuss before the Commission. Hearing no "Other Business," Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Harris and seconded by Mr. Farnsworth that the meeting adjourn and the Motion was unanimously approved by voice vote. The meeting was adjourned at 4:05 p.m. The next meeting of the Commission will be Tuesday, September 12, 2017, at 3:30 p.m. at the Old Courthouse Building.

APPROVED:

October 3, 2017

John L. Morel / rwp
JOHN L. MOREL,
Secretary, Public Building Commission