

MINUTES OF THE REGULAR MEETING

OF THE

PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, January 3, 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 January 3, 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, Zeunik, Morel, Zimmerman, Harris, Farnsworth, Good (arrived at 3:35 p.m.), and Schultz. Mr. Funk was absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; Assistant McLean County Administrator Hannah Eisner; McLean County Director of Facilities Management Jack Moody; McLean County Director of Administrative Services Eric Schmitt; Principal-in-Charge Tim Kiefer of the Farnsworth Group, Inc.; McLean County Information Technology Director Craig Nelson; and CIRBN, LLC. Executive Director Mark DeKeersgieter.

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

Chairman Novosad presented the Minutes of the December 6, 2016 Regular 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 Regular Meeting Minutes. It was moved by Mr. Harris and seconded by Mr. Farnsworth that the Minutes of the December 6, 2016 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 asked Commission Treasurer James Mulligan to present the Treasurer's Report for the fiscal year. Mr. Mulligan initially noted that the Commission now had online access to its accounts at both J.P. Morgan Chase Bank and Bloomington-Normal Community Bank. Mr. Mulligan next relayed that he, Chairman Novosad, and Commission Attorney Robert Porter had met with Jeff Bressner of Bloomington-Normal Community Bank approximately one (1) week ago to discuss the Commission's accounts at that institution. Mr. Mulligan stated that, during the meeting, Mr. Bressner indicated that the Commission would now be receiving a yield of fifty (50) basis points on its standard checking account with Bloomington-Normal Community Bank as opposed to the previous return of forty (40) basis points.

Mr. Mulligan further indicated that the Commission was being asked to approve its typical monthly disbursements, which disbursements were featured on page sixteen (16) of the Treasurer's Report. Mr. Mulligan next stated that a new Law & Justice Center Expansion Project drawdown schedule had been added to page eighteen (18) of the Treasurer's Report.

Mr. Mulligan also stated that he had met with Renee Brucker of Sulaski & Webb, CPAs shortly before the Christmas holiday and that the Commission's Fiscal Year 2016 Audit was on track to being completed. Chairman Novosad then asked Mr. Mulligan when he anticipated that the Fiscal Year 2016 Audit would be completed and Mr. Mulligan responded by noting that the completion date depended in large part on the Commission-County audit reconciliation process.

Mr. Mulligan lastly noted that he and Mr. Porter were in the process of working with Heartland Bank & Trust Co. to re-invest the Commission's Heartland Bank & Trust Co. Money Market Fund into Treasuries. Mr. Mulligan indicated that Chapman & Cutler, LLP. had advised that the Money Market Fund should be invested in Treasuries as it likely contains some unspent proceeds from the Series 2001 and Series 2004 Public Building Revenue Bond Issues. Mr. Mulligan indicated that he hoped to have the Money Market Fund re-invested in Treasuries by the time of the Commission's next meeting.

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. Zeunik and seconded by Mr. Zimmerman 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.

Chairman Novosad next turned to the Commission's "Old Business" and asked County Director of Facilities Management Jack Moody to provide the Commission with a status report on the Government Center and Juvenile Detention Center roof replacements. Mr. Moody noted that the replacement work on the Juvenile Detention Center had to stop due to the cold weather. Mr. Moody stated that the roof of the Juvenile Detention Center will take just five (5) to six (6) days to complete, but that the weather needs to be above forty (40) degrees Fahrenheit for the work to resume.

Chairman Novosad asked Mr. Moody whether there had been any problems posed by the removal of the Juvenile Detention Center's ballasted roof and Mr. Moody responded by indicating that there were no problems.

Chairman Novosad then asked if there were any questions or comments for Mr. Moody concerning the Government Center and Juvenile Detention Center roof replacements. Hearing none, Chairman Novosad asked Mr. Porter to report on the status of Ideal Environmental Engineering, Inc.'s expanded environmental survey of the McLean County Law & Justice Center. Mr. Porter noted that Chairman Novosad had executed a contract with Ideal Environmental Engineering, Inc. for additional asbestos testing of the Law & Justice Center following the Commission's last meeting on

December 6, 2016. Mr. Porter indicated that, pursuant to the contract, Ideal Environmental Engineering, Inc. would perform asbestos testing throughout the first (1st) three (3) floors of the Law & Justice Center, which three (3) floors were a part of the original structure as constructed in 1976. Mr. Porter reminded the Commission that Ideal Environmental Engineering, Inc. had originally tested only those areas of the Law & Justice Center that would be impacted by the Law & Justice Center Expansion Project. Mr. Porter indicated that Ideal Environmental Engineering, Inc. would begin its expanded asbestos testing in the near future.

Chairman Novosad then asked if there were any questions or comments for Mr. Porter regarding the status of Ideal Environmental Engineering, Inc.'s expanded environmental survey of the Law & Justice Center. Hearing none, Chairman Novosad asked Mr. Moody to address the status of the winter site preparation work for the McLean County Law & Justice Center Expansion Project. Mr. Moody initially noted that a pre-construction meeting had occurred between representatives of McLean County and Stark Excavating, Inc. earlier in the day. Mr. Moody then indicated that the site preparation work would begin in earnest in the very near future and that the work would be completed by March 1st. Mr. Moody believed that this completion date dovetailed nicely with other facets of the project schedule for the Law & Justice Center Expansion Project.

County Director of Administrative Services Eric Schmitt then indicated that the County was waiting to receive one (1) additional permit from the Illinois Environmental Protection Agency before work could commence.

Principal-in-Charge Tim Kiefer of the Farnsworth Group, Inc. then noted that the pricing for the Law & Justice Center Expansion Project's winter site preparation work came in at slightly under the projected budget.

Mr. Good then inquired as to whether there were any necessary weather requirements for the performance of the Law & Justice Center Expansion Project's winter site preparation work. Mr. Kiefer responded to Mr. Good's inquiry by noting that Stark Excavating, Inc. was trying to phase the performance of the work such that there would be no weather delays.

Mr. Farnsworth next asked whether Stark Excavating, Inc. would be required to document any inclement weather causing delays in the work and Mr Kiefer responded in the affirmative.

Chairman Novosad lastly inquired as to whether the City of Bloomington's permit review process might delay Stark Excavating, Inc.'s performance of the winter site preparation work or increase its cost and Mr. Schmitt responded by indicating that Stark Excavating, Inc. had not expressed any concern over either possibility.

Chairman Novosad then asked if there were any additional questions or comments for Messrs. Moody or Kiefer regarding the status of the Law & Justice Center Expansion Project's winter site preparation work. Hearing none, Chairman Novosad turned to the Commission's "New

Business” and asked Mr. Kiefer to discuss the McLean County Law & Justice Center Expansion Project.

Mr. Kiefer initially noted that the Law & Justice Center Expansion Project was tracking on target and on budget. Mr. Kiefer indicated that Wight & Co. was in the process of concluding another Project budget estimate, which budget estimate was expected to show a slight increase in the cost of the Project. This increase is due to both the expected height of the expanded Jail facility as well as the security glazing that will be utilized throughout the structure. Mr. Kiefer stated that Project Manager John Bishop would be reviewing the budget estimate with the County user group in the coming weeks. Mr. Kiefer further relayed that representatives of the Farnsworth Group, Inc. and McLean County would conduct a security meeting on January 4th and an interior finishes meeting on January 9th. Mr. Kiefer ultimately noted that the Farnsworth Group, Inc. anticipated reaching ninety-percent (90%) document completion by February 1st.

Chairman Novosad then asked if there were any questions or comments for Mr. Kiefer regarding the status of the McLean County Law & Justice Center Expansion Project. Hearing none, Chairman Novosad asked Mr. Porter to address the change order presented to the Commission by Stark Excavating, Inc.

Mr. Porter first (1st) noted that the contract between the Commission and Stark Excavating, Inc. had recently been executed by Chairman Novosad and Dave Stark, Jr. Mr. Porter reminded the Commission that the contract was in the amount of three hundred sixty-six thousand dollars and 00/100 (\$366,000.00). Mr. Porter indicated that he had provided each of the Commissioners with a copy of the fully-executed contract.

Mr. Porter next noted that Stark Excavating, Inc. had presented the Commission with a change order whereby Stark Excavating, Inc. would reduce the cost of the work from three hundred sixty-six thousand dollars and 00/100 (\$366,000.00) to three hundred thirty-nine thousand eight hundred seventy-five dollars and 00/100 (\$339,875.00) in exchange for not being required to carry professional liability insurance. Mr. Porter indicated that professional liability insurance protects the insured against harm that falls outside the bodily injury, property damage, personal injury or advertising injury claims traditionally covered by general liability insurance. Mr. Porter relayed that professional liability insurance is frequently required of contractors who are producing shop drawings or other design-related services as defective designs are traditionally not covered by general liability insurance.

Mr. Porter relayed that the only reason the Commission’s contract with Stark Excavating, Inc. included a professional liability insurance requirement is that Mr. Porter drafted the requirement with the prime contract in mind. Mr. Porter indicated that Mr. Bishop simply presented Stark Excavating, Inc. with the same contract that the prime contractor will receive. Mr. Porter noted that Stark Excavating, Inc. has posted both a performance and payment bond in the amount of three hundred sixty-six thousand dollars and 00/100 (\$366,000.00). Mr. Porter stated that Berkley

Insurance Company of Delaware serves as the surety on both bonds. Mr. Porter indicated that Berkley Insurance Company has A.M. Best Rating Services' highest rating for financial strength. Mr. Porter also noted that Stark Excavating, Inc. would carry general liability insurance, auto liability insurance, worker's compensation insurance, and excess liability coverage. Mr. Porter further stated that Stark Excavating, Inc. would carry owner and architect's protective liability insurance and that builder's risk coverage would be included within Stark Excavating, Inc.'s excess liability coverage.

In light of the foregoing, Mr. Porter indicated that he was comfortable with the Commission allowing Stark Excavating, Inc. to proceed with the work without carrying professional liability insurance.

Mr. Farnsworth then asked about the dollar amount of the change order and Chairman Novosad noted that the change order constituted a reduction in the contract amount of twenty-six thousand one hundred twenty-five dollars and 00/100 (\$26,125.00).

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 the change order reducing the contract amount by twenty-six thousand one hundred twenty-five dollars and 00/100 (\$26,125.00) in exchange for Stark Excavating, Inc. being allowed to perform the work without professional liability insurance. It was moved by Mr. Good and seconded by Mr. Harris to approve the change order reducing the contract amount by twenty-six thousand one hundred twenty-five dollars and 00/100 (\$26,125.00) in exchange for Stark Excavating, Inc. being allowed to perform the work without professional liability insurance. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then noted that the Commission had been presented with an invoice from the City of Bloomington in the amount of twenty-two thousand nine hundred twenty dollars and 00/100 (\$22,920.00), which invoice constituted a fee in lieu of the City's detention requirements. Chairman Novosad then questioned whether the Law & Justice Center Expansion Project featured enough impervious area to fall within a detention requirement.

In response to Chairman Novosad's question, Mr. Schmitt indicated that the detention requirement takes into account the entire Law & Justice Center plat. Mr. Schmitt further indicated that the City had rejected the County's request that the fee be waived.

Mr. Zeunik then asked whether the City took into account the Abraham Lincoln Memorial Parking Deck in setting the fee and Mr. Schmitt responded in the negative.

Mr. Farnsworth noted that any commercial enterprise would be expected to pay such a fee.

Mr. Good then inquired as to whether the fee had been budgeted for and Mr. Schmitt responded in the affirmative.

Chairman Novosad then asked if there were any additional questions or comments regarding the City of Bloomington's fee in lieu of detention requirement. Hearing none, Chairman Novosad asked for a Motion to approve payment to the City of Bloomington in the amount of twenty-two thousand nine hundred twenty dollars and 00/100 (\$22,920.00) from the Series 2015 Public Building Revenue Bond Issue's "Project Fund" for the City's fee in lieu of detention requirement. It was moved by Mr. Farnsworth and seconded by Mr. Zimmerman to approve payment to the City of Bloomington in the amount of twenty-two thousand nine hundred twenty dollars and 00/100 (\$22,920.00) from the Series 2015 Public Building Revenue Bond Issue's "Project Fund" for the City's fee in lieu of detention requirement. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then noted that the Commission had been presented with an invoice from the Farnsworth Group, Inc. in the amount of three hundred thirty-eight thousand six hundred ninety-four dollars and 05/100 (\$338,694.05). This amount represents the fee incurred by the Farnsworth Group, Inc./HOK during the month of December.

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 fifty-percent (50%) of the construction document phase.

Chairman Novosad then asked if there were any questions or comments regarding the Farnsworth Group, Inc.'s December invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to the Farnsworth Group, Inc. in the amount of three hundred thirty-eight thousand six hundred ninety-four dollars and 05/100 (\$338,694.05) 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 December 2016. It was moved by Mr. Good and seconded by Mr. Harris to approve payment to the Farnsworth Group, Inc. in the amount of three hundred thirty-eight thousand six hundred ninety-four dollars and 05/100 (\$338,694.05) 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 December 2016. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next asked Mr. Porter to address the re-investment of those portions of the Series 2015 Public Building Revenue Bond Issue's "Project Fund" currently invested in internal bank CDs at Bloomington-Normal Community Bank and set to mature on January 29, 2017. Mr. Porter initially noted that the Commission voted on January 6, 2016 to authorize the Treasurer to invest forty-two million five hundred thousand dollars and 00/100 (\$42,500,000.00) in internal bank CDs at Bloomington-Normal Community Bank. Mr. Porter noted that, at the time, the return offered on the internal bank CDs greatly exceeded the Treasury rates and also exceeded the available rate of return on money market funds being offered by other institutions. Mr. Porter noted that, after the vote, Mr. Mulligan invested two million five hundred thousand dollars and 00/100 (\$2,500,000.00) in

a six (6)-month CD with a yield of .6%, seventeen million five hundred thousand dollars and 00/100 (\$17,500,000.00) in a twelve (12)-month CD with a yield of .7%, and twenty-two million five hundred thousand dollars and 00/100 (\$22,500,000.00) in an eighteen (18)-month CD with a yield of .8%.

Mr. Porter noted that the applicable tax laws obligated the Commission to invest its bond proceeds at fair market value, which is typically established when an entity purchases securities traded on an established securities market. Mr. Porter noted that internal bank CDs are considered fair market value when they have a fixed interest rate, fixed payment schedule, and substantial penalty for early withdrawal and the yield is not less than the Treasury rate and not less than yields offered by the bank to the general public. Mr. Porter noted that the Treasury rate had spiked in November such that the rate began to exceed the yield on the Commission's internal bank CDs. However, Mr. Porter indicated that Bloomington-Normal Community Bank would match the Treasury rate on any re-investment.

Mr. Porter stated that approximately twenty million one hundred sixteen thousand dollars and 00/100 (\$20,116,000.00) in internal bank CDs would mature on January 29th and approximately twenty-two million seven hundred fifty thousand dollars and 00/100 (\$22,750,000.00) in internal bank CDs would mature on July 29th. However, Mr. Porter indicated that Mr. Bishop was projecting that only eight million dollars and 00/100 (\$8,000,000.00) in project funds would be expended in 2017. Mr. Porter noted that Mr. Mulligan would thus re-invest fifteen million dollars and 00/100 (\$15,000,000.00) of the maturing internal bank CDs into a one (1)-year internal bank CD at Bloomington-Normal Community Bank. Mr. Porter indicated that this would give the Commission five million dollars and 00/100 (\$5,000,000.00) of liquid funds to expend on Project expenses during the first (1st) half of 2017. Mr. Porter indicated that the Commission would address its cash needs for the second (2nd) half of 2017 and 2018 when its eighteen (18)-month internal bank CD matures on July 29th. Mr. Porter stated that this approach made the most sense as the Commission would get the full advantage of the Treasury rates without having to assume the responsibility of directly investing and would not have to subject itself to the risk and management fees of a money market fund. Mr. Porter noted that the Commission did not need to vote on this matter as Mr. Mulligan would be acting pursuant to the authority the Commission gave him at the January 5, 2016 meeting.

Chairman Novosad then asked whether there were any questions or comments for Mr. Porter regarding the re-investment of those portions of the Series 2015 Public Building Revenue Bond Issue's "Project Fund" currently invested in internal bank CDs at Bloomington-Normal Community Bank and set to mature on January 29, 2017. Hearing none, Chairman Novosad asked Mr. Porter to address the amendment of the Capital Improvement Agreement between the Commission, McLean County, and the City of Bloomington. Mr. Porter reminded the Commission that it entered into a Capital Improvement Agreement with the County and City on or about May 17, 2016. Under the Agreement, Mr. Porter noted that the Commission extended six hundred thousand dollars and 00/100 (\$600,000.00) to the County to fund the replacement of the roofs on the Government Center and Juvenile Detention Center. However, Mr. Porter indicated that the total work comes to just three

hundred sixty-six thousand two hundred dollars and 00/100 (\$366,200.00). As a result, Mr. Porter noted that the County is in the process of identifying additional work and that the Capital Improvement Agreement would have to be amended to allow for the unused balance of the six hundred thousand dollars and 00/100 (\$600,000.00) to be allocated towards different projects. Mr. Porter noted that there was nothing for the Commission to act on at this time.

Chairman Novosad then asked whether there were any questions or comments for Mr. Porter regarding the amendment of the Capital Improvement Agreement. Hearing none, Chairman Novosad noted that CIRBN, LLC. was requesting to install a fiber optic cable at its facility at 200 West Front Street, Bloomington and asked CIRBN, LLC's Executive Director, Mark DeKeersgieter, to discuss the same. Mr. DeKeersgieter indicated that CIRBN, LLC. is a current tenant at 200 West Front Street and was seeking permission to run additional fiber optic cable into its leasehold space. Mr. DeKeersgieter indicated that the work would entail drilling a hole in an exterior wall and removing a slab of concrete sidewalk near the exterior of the building. Mr. DeKeersgieter indicated that the work would be entirely paid for by CIRBN, LLC.

Mr. Moody stated that the County was very supportive of CIRBN, LLC.'s request.

Chairman Novosad asked whether CIRBN, LLC's proposal would be impacted at all by future County projects and Mr. Moody indicated that such a scenario was doubtful.

Chairman Novosad then asked whether there were any questions or comments regarding CIRBN, LLC.'s request to install fiber optic cable at 200 West Front Street. Hearing none, Chairman Novosad asked for a Motion to approve CIRBN, LLC.'s request to install fiber optic cable at 200 West Front Street and to authorize Chairman Novosad to execute any easements to facilitate said request. It was moved by Mr. Harris and seconded by Mr. Farnsworth to approve CIRBN, LLC.'s request to install fiber optic cable at 200 West Front Street and to authorize Chairman Novosad to execute any easements to facilitate said request. Chairman Novosad called for a vote on the Motion to approve CIRBN, LLC.'s request to install fiber optic cable at 200 West Front Street and to authorize Chairman Novosad to execute any easements to facilitate said request and the Motion was unanimously passed by voice vote.

Chairman Novosad then asked Mr. Porter to address the revised 2017 Amendment to the Amended and Restated Lease Agreement. Mr. Porter noted that in preparing the Amendment for last month's meeting, he neglected to include the City's fifteen thousand dollar and 00/100 (\$15,000.00) payment under the Capital Improvement Agreement as a part of the City's 2017 rental payment. Mr. Porter reminded the Commission that, under the Capital Improvement Agreement, the County is required to pay the Commission forty-five thousand dollars and 00/100 (\$45,000.00) per year for ten (10) years and the City is required to pay the Commission fifteen thousand dollars and 00/100 (\$15,000.00) per year for ten (10) years. Mr. Porter noted that these payments are included in each entity's lease payments and are set to begin in 2017. Mr. Porter noted that the County had built their Capital Improvement payment into their rental payment, but that the City had not. Mr. Porter thus

stated that the City should pay the Commission one million sixty-six thousand three hundred eighteen dollars and 00/100 (\$1,066,318.00) in 2017 as opposed to the one million fifty-one thousand three hundred eighteen dollars and 00/100 (\$1,051,318.00) the Commission approved at its December meeting.

Chairman Novosad then asked whether there were any questions or comments regarding the revised 2017 Amendment to the Amended and Restated Lease Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the revised 2017 Amendment to the Amended and Restated Lease Agreement. It was moved by Mr. Zeunik and seconded by Mr. Zimmerman to approve the revised 2017 Amendment to the Amended and Restated Lease Agreement. Upon a roll call vote, all Commissioners voted in favor of the Motion.

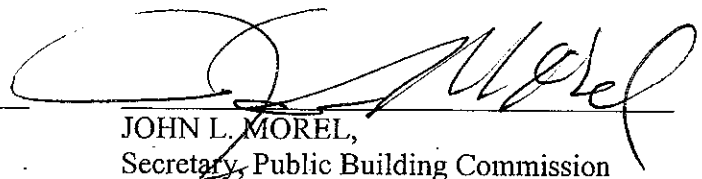
Chairman Novosad then requested that Mr. Porter address the revised 2017 Amendment to the Contract for Operation and Maintenance. Mr. Porter noted that the Commission needed to approve a revised Attachment B to the Contract for Operation & Maintenance, which Attachment reflected the City's correct rental payment and reduced the Commission's overall operation and maintenance obligation by the amount that the Commission was set to receive in Capital Improvement Agreement payments. Mr. Porter specifically noted that the correct operation and maintenance figure for 2017 was two million seven hundred eighty-three thousand two hundred thirty-four dollars and 00/100 (\$2,783,234.00) as opposed to the previously-approved two million eight hundred twenty-eight thousand two hundred thirty-four dollars and 00/100 (\$2,828,234.00).

Chairman Novosad then asked whether there were any additional questions or comments regarding the revised 2017 Amendment to the Contract for Operation & Maintenance. Hearing none, Chairman Novosad asked for a Motion to approve the revised 2017 Amendment to the Contract for Operation & Maintenance. It was moved by Mr. Good and seconded by Mr. Harris to approve the revised 2017 Amendment to the Contract for Operation & Maintenance. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad noted that the Commission had no "Other Business" and thus asked for a Motion to adjourn. It was moved by Mr. Farnsworth and seconded by Mr. Harris that the meeting adjourn and the Motion was unanimously approved by voice vote. The meeting was adjourned at 4:18 p.m. The next regular meeting of the Commission will be Tuesday, February 7, 2017, at 3:30 p.m.

APPROVED:

2/7/2017


JOHN L. MOREL,
Secretary, Public Building Commission