

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

Tuesday, July 5, 2016, 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 July 5, 2016 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, and Schultz. Chairman Novosad noted the presence of a quorum. Mr. Funk was absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; McLean County Administrator Bill Wasson; Assistant McLean County Administrator Hannah Eisner; McLean County Director of Facilities Management Jack Moody; and Project Manager John Bishop of the Farnsworth Group, Inc.

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

Chairman Novosad presented the Minutes of the June 7, 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. Zimmerman and seconded by Mr. Zeunik that the Minutes of the June 7, 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 Treasurer's Report did not contain up-to-date bank account information due to the July 4th holiday. Mr. Mulligan further stated that a "Jail Expansion" category had been added to the Treasurer's Report. He noted that this category would principally reflect disbursements made to the Farnsworth Group, Inc. until actual construction began. Mr. Mulligan stated the Commission needed to approve payments to the R. W. Gipson Agency, Inc., *The Pantagraph*, Sulaski & Webb, CPAs as well as payments for legal and accounting fees.

Chairman Novosad noted that all of the Commission-owned facilities were now insured. Chairman Novosad further indicated that this insurance coverage was in addition to the Commission's status as an additional insured under County-carried policies.

Chairman Novosad then asked if there were any additional questions 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. Good 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.

Chairman Novosad then turned to a discussion of the Commission's "Old Business" and asked Mr. Porter to address the status of the Capital Improvement Agreement between the Commission, the County, and the City of Bloomington. Mr. Porter indicated that the Agreement had been approved by the County Board and, according to a conversation that Mr. Porter had with City of Bloomington Legal Counsel Jeff Jurgens, would be approved by the Bloomington City Council at its July 11, 2016 meeting. Mr. Porter noted the Agreement calls for the Commission to lend \$600,000.00 to the County and City for the replacement of roofs on the Government Center and Juvenile Detention Center. Mr. Porter asked County Director of Facilities Management Jack Moody as to whether he wished to add anything on this subject.

Mr. Moody indicated that he was currently in the process of writing bid specifications for the roof replacement work and anticipated having bids out in the fall.

Chairman Novosad next turned to the Commission's "New Business" and asked County Administrator Bill Wasson, Project Manager John Bishop, and Mr. Moody to discuss the McLean County Jail Expansion Project and the Farnsworth Group, Inc.'s June invoice.

Mr. Moody initially noted that the County staff had determined the need to change the name of the project from the "McLean County Jail Expansion Project" to the "McLean County Law and Justice Center Expansion Project."

Mr. Wasson stated that the name change was prompted by City Planning's determination that the Jail expansion is an accessory use under the pertinent zoning regulations.

~~Mr. Moody added that the Project is progressing very well and that there has been a great deal of dialogue between the Jail staff as well as the Farnsworth Group, Inc. and HOK.~~

Mr. Bishop then presented the Commission with several concept drawings of the Jail addition. He noted that the first drawing showed various site considerations. Mr. Bishop stated that there is a fair amount of existing utility infrastructure on the site and that the floor of the Jail

addition will need to be approximately six feet off the ground. Mr. Bishop also noted that there would be a connecting link between the Jail addition and the Law and Justice Center.

Mr. Harris asked Mr. Bishop about the number of floors that would be in the Jail addition and Mr. Bishop indicated that the addition would have three main floors and two mezzanines.

Mr. Bishop noted that the next several drawings presented different options for the Jail addition's layout. He stated that there were different options as to how the recreation yards would be positioned. In addition, Mr. Bishop noted that the addition would consist of a number of day rooms and sub-day rooms. Mr. Bishop then presented the Commission with various photographs of jails designed by HOK.

Chairman Novosad asked Mr. Bishop about how the Farnsworth Group, Inc./HOK planned to handle noise traveling from the Jail's exterior recreation yard to the outside street. Mr. Bishop responded by noting that noise would be controlled by the presence of a ten-foot solid wall with an operable section and security mesh.

Secretary Morel asked Mr. Bishop about the exterior façade of the Jail addition and Mr. Bishop indicated that aesthetics had not yet been considered.

Mr. Farnsworth asked Mr. Bishop whether he was concerned about the sun sweep. Although recognizing this issue, Mr. Bishop indicated that the building configuration demands an east or west opening.

Secretary Morel then asked Mr. Bishop whether alternative site placements were available. Mr. Bishop responded that the only available location was southeast of the Law and Justice Center. Mr. Bishop added that the Jail addition would be designed to resemble an office building.

Chairman Novosad next asked Mr. Bishop whether the link between the Jail addition and Law and Justice Center would present utility easement issues. Mr. Bishop responded by noting that the site would be re-platted to a single plat and dedicated easements would be added. Mr. Bishop also stated that a small section of the existing storm sewer would be replaced.

Chairman Novosad then asked Mr. Bishop whether the Project was on schedule. Mr. Bishop responded by indicating that a week was lost in the schematic design phase as a result of the length of time it took to obtain certain population data.

Mr. Good asked Mr. Bishop when a final design decision would be made and who would make such a decision. Mr. Bishop indicated that the decision would be made before September. Mr. Wasson noted that a Project Committee would make the final decision. He further indicated

that floor plan recommendations would be taken to the County Board's Property Committee later in the week and that he would return to the Commission with cost estimates and a schematic design in August.

Mr. Moody stated that drawings would be provided to the Illinois Department of Corrections in September.

Mr. Moody also indicated that various County personnel desired to visit four HOK-designed jails in Georgia. Mr. Moody noted that a similar site visit occurred prior to the construction of the Juvenile Detention Center and that the Commission paid for that trip. Mr. Moody indicated that the County would be asking the Commission to pay for the trip to Georgia.

Mr. Good asked Mr. Moody about the number of people who would be expected to make the trip and Mr. Moody indicated that the trip would consist of no more than a dozen people.

Both Messrs. Good and Zimmerman indicated that a trip to Georgia was a sensible expenditure.

Mr. Zeunik indicated his belief that it would be important for at least one member of the Commission to visit the facilities in Georgia.

Mr. Bishop noted that Georgia offered the most examples of HOK jail designs.

Mr. Wasson indicated that the County would like to make the trip before the end of July.

Mr. Zimmerman asked Mr. Wasson to approximate the cost of the trip and Mr. Wasson indicated that the trip would be no more than \$10,000.00.

Secretary Morel stated his opposition to the Commission spending \$10,000.00 on a trip to Georgia.

Chairman Novosad then asked whether the Commission could vote to authorize the trip. Mr. Porter indicated that the Commission would be unable to vote on such an expenditure as it was not included on the Agenda. However, Mr. Porter noted that the Commission could simply ratify the expenditure at its August meeting if, in fact, the trip were to occur in July. There was general consensus on this approach.

Chairman Novosad then noted that the Commission had been presented with an invoice from the Farnsworth Group, Inc. in the amount of \$107,594.82. This amount represented the fee incurred by the Farnsworth Group, Inc./HOK during the month of June.

Chairman Novosad asked Mr. Moody whether the invoice was in order. Mr. Moody indicated that the invoice was in order and that approximately 40% of the schematic design phase had been completed.

Chairman Novosad then asked if there were any additional questions for Messrs. Wasson, Moody, or Bishop regarding the status of the architectural design, engineering services, and construction administration of the Law and Justice Center Expansion Project. Hearing none, Chairman Novosad asked for a Motion to approve payment to the Farnsworth Group, Inc. in the amount of \$107,594.82 from the Series 2015 Public Building Revenue Bond Issue's "Project Fund" for services rendered on the Jail Expansion Project during the month of June 2016. It was moved by Mr. Harris and seconded by Mr. Zeunik to approve payment to the Farnsworth Group, Inc. in the amount of \$107,594.82 from the Series 2015 Public Building Revenue Bond Issue's "Project Fund" for services rendered on the Law and Justice Center Expansion Project during the month of June 2016. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then asked Mr. Porter to address the approval of a Record-Keeping Policy and Post-Issuance Compliance Matters for the Investment of the Proceeds from the Series 2015 Public Building Revenue Bond Issue. Mr. Porter noted that the Commission is subject to a variety of restrictions under the Internal Revenue Code as to how it can invest the gross proceeds of the Series 2015 Public Building Revenue Bond Issue. Mr. Porter indicated that up until October 6, 2018, the Commission is free to invest the funds without yield restrictions and with the ability to collateralize the funds through a direct guarantee of the federal government. Mr. Porter indicated that the Commission would realistically never run into an arbitrage issue as the average interest on the Bonds is approximately 3.5%. However, Mr. Porter noted that, following October 6, 2018, the Commission cannot have more than 5% of the gross proceeds collateralized by the federal government with the exception of Treasuries and certain agency obligations. Mr. Porter noted that Chapman & Cutler, LLP. recommended that the Commission adopt the Record-Keeping Policy and Post-Issuance Compliance Matters as a way to safeguard against running afoul of tax regulations and thus the potentiality of the Commission having to rebate the U.S. Treasury. Mr. Porter further noted that the Policy's existence would aid the Commission in the event that the Bond Issue was audited. Mr. Porter also indicated that under the Policy he would serve as compliance officer, continue to maintain records associated with the Bond Issue and investments, and report to the Commission at the annual meeting regarding any rebate liability.

Mr. Farnsworth asked Mr. Porter whether Mr. Porter had the resources and ability to comply with the Policy and Mr. Porter indicated that the Policy did not require anything that he was not already doing.

Mr. Good noted that the Policy was simply a safeguard in the event of an I.R.S. audit.

Chairman Novosad then asked if there were any additional questions or comments concerning the Record-Keeping Policy and Post-Issuance Compliance Matters for the Investment of the Proceeds from the Series 2015 Public Building Revenue Bond Issue. Hearing none, Chairman Novosad asked for a Motion to approve the Record-Keeping Policy and Post-Issuance Compliance Matters for the Investment of the Proceeds from the Series 2015 Public Building Revenue Bond Issue. It was moved by Mr. Good and seconded by Mr. Zeunik that the Record-Keeping Policy and Post-Issuance Compliance Matters for the Investment of the Proceeds from the Series 2015 Public Building Revenue Bond Issue be approved. Chairman Novosad called for a vote on the Motion to approve the Record-Keeping Policy and Post-Issuance Compliance Matters for the Investment of the Proceeds from the Series 2015 Public Building Revenue Bond Issue and the Motion was unanimously approved by voice vote.

Chairman Novosad next asked Mr. Porter to discuss the investment of the Commission's Heartland Bank & Trust Co. "Law and Justice Center Debt Service Account" and Heartland Bank & Trust Co. "Money Market Fund." Mr. Porter noted that the Commission currently maintains a Money Market Fund at Heartland Bank & Trust Co. He indicated that these funds are associated with the outstanding Government Center Bonds – i.e., interest earnings and cost savings – and their use is considered restricted. Mr. Porter nonetheless noted that he, Mr. Mulligan, Chairman Novosad, and Mr. Zeunik were recently approached by Heartland Bank & Trust Co. about investing those dollars in a different manner in order to maximize yield. Mr. Porter noted that the Money Market Fund currently yields .18%.

Mr. Porter noted that, following the meeting with Heartland Bank & Trust Co., he reached out to both Busey Bank and Bloomington-Normal Community Bank to see whether they would be interested in putting proposals together. Mr. Porter stated that the proposals also encompass the investment of the remaining funds in the Law and Justice Center Debt Service account. Mr. Porter indicated that the Commission's investments would need to be made within the confines of the *Illinois Public Funds Investment Act*, but that there may be some federal guarantee issues associated with the Money Market Funds in light of the outstanding Government Center Bonds. Mr. Porter noted that he is working through these issues with bond counsel. Mr. Porter ultimately recommended that he, Mr. Mulligan, Chairman Novosad, and Mr. Zeunik be allowed to have some follow-up with Heartland Bank & Trust Co., Busey Bank, and Bloomington-Normal Community Bank so that the Commission can be in a better position to act in either August or September. Mr. Porter noted that Messrs. Good and Schultz would need to recuse themselves if the Commission were to have a more formal discussion.

Chairman Novosad then asked if there were any additional question or comments concerning the investment of the Commission's Heartland Bank & Trust Co. "Law and Justice Center Debt Service Account" and Heartland Bank & Trust Co. "Money Market Fund." Hearing none, Chairman Novosad asked Commissioners to inform Mr. Porter if they wished to travel to

Georgia.

Chairman Novosad then asked whether any of the Commissioners had any additional questions or comments. Hearing none, Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Good and seconded by Mr. Zimmerman that the meeting adjourn and the Motion was unanimously approved by voice vote. The meeting was adjourned at 4:30 p.m. The next regular meeting of the Commission will be Tuesday, August 2, 2016, at 3:30 p.m.

APPROVED:

8/9/2016

William A. Zimmerman for
JOHN L. MOREL,
Secretary, Public Building Commission
of McLean County, Illinois