

MINUTES OF THE MONTHLY MEETING

OF THE

PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, April 3, 2018, 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 April 3, 2018 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, Zimmerman, Morel, Farnsworth, Funk, and Reid. Messrs. Harris, Good, and Schultz were absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; McLean County Administrator Bill Wasson (left the meeting at 3:55 p.m.); McLean County Director of Administrative Services Eric Schmitt; Mr. Jack Moody; Project Manager John Bishop of the Farnsworth Group, Inc.; Project Manager Matt Brown of River City Construction, LLC.; and Dawn Carlson of Sulaski & Webb, CPAs (left 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 Sulaski & Webb. Chairman Novosad noted that Ms. Carlson’s firm had performed the Commission’s Fiscal Year 2017 Audit Report and Annual Financial Report. Chairman Novosad indicated that Ms. Carlson would provide a report on the same later in the meeting. In response, Ms. Carlson noted that she was pleased to be at the meeting and looked forward to providing her report.

Chairman Novosad then presented the Minutes of the March 6, 2018 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. Farnsworth that the Minutes of the March 6, 2018 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 next asked Commission Treasurer James Mulligan to present the Treasurer’s Report for the fiscal year. Mr. Mulligan initially noted that the activity on the Treasurer’s Report primarily reflected the payment of River City Construction and the Farnsworth Group’s respective invoices. Mr. Mulligan then indicated that a majority of the accounts listed on the

Treasurer's Report had been updated to reflect recently-issued account statements. Mr. Mulligan further relayed that he would reconcile the Treasurer's Report with the Commission's Fiscal Year 2017 Audit Report.

Mr. Mulligan noted that the May 1, 2018 interest payments on the Series 2010 and 2013 Public Building Refunding Bond Issues were listed as a disbursement on the Treasurer's Report. Mr. Mulligan stated that these interest payments totaled fifty-three thousand five hundred eighty-five dollars and 00/100 (\$53,585.00). Mr. Mulligan thereafter indicated that the Commission would be asked to approve the June 1, 2018 interest payment on the Series 2015 Public Building Revenue Bond Issue at its May meeting. Mr. Mulligan stated that this payment would be in the approximate amount of nine hundred seventy thousand dollars and 00/100 (\$970,000.00).

Mr. Mulligan then stated that the Commission's next Project Fund certificate of deposit at Morton Community Bank matures in July 2018.

Chairman Novosad then inquired as to the restrictions on the re-investment of those funds contained in the Project Fund certificate of deposit at Morton Community Bank.

Commission Attorney Robert Porter responded by noting that the so-called "Temporary Period" for the Series 2015 Public Building Revenue Bond Issue ended on October 6, 2018. Mr. Porter reminded the Commission that approximately eighty-five percent (85%) of the Bond Issue must be expended by this point in time and Mr. Porter indicated his belief that this would occur. However, Mr. Porter also noted that, under the pertinent tax laws, no more than five percent (5%) of the Series 2015 Bond Issue's proceeds can be federally-guaranteed after October 6, 2018. Mr. Porter noted that the one (1) exception to this rule is that the proceeds can be invested in Treasuries. As a result, Mr. Porter noted that a certain portion of the unspent proceeds from the Series 2015 Bond Issue will likely have to be placed in U.S. Treasuries by October 6th. Mr. Porter noted that this would likely not be a large portion of the proceeds given River City Construction's anticipated payment schedule. Mr. Porter then indicated that the Commission would address this issue at either its August or September 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. Funk 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 asked Dawn Carlson of Sulaski & Webb to present both the Fiscal Year 2017 Audit Report and Annual Financial Report. Ms. Carlson noted that the first (1st) two (2) pages of the Audit Report constituted the independent auditor's report. Ms. Carlson indicated that the independent auditor's report represented a "clean opinion." Ms. Carlson stated that pages three (3) through five (5) of the Audit Report featured the management's discussion and analysis. Ms. Carlson

described this section of the Audit Report as a summary of the Commission as of the date of the Audit Report.

Ms. Carlson next indicated that the Commission's statement of net position was featured on page six (6) of the Audit Report. Ms. Carlson noted that the largest assets included on the Commission's statement of net position are its certificates of deposit, cash on hand, capitalized lease receivable, and notes. Ms. Carlson indicated that the Commission's capitalized lease receivable will continue to grow as construction of the McLean County Law & Justice Center Expansion Project progresses. In a similar vein, Ms. Carlson noted that the Commission's statement of net position showed a large accounts payable figure due to construction expenses.

Ms. Carlson noted that page seven (7) of the Audit Report showed the Commission's rental income, which Ms. Carlson described as a combination of rents received, construction in progress, and changes in bonds payable. Ms. Carlson indicated that page eight (8) of the Audit Report tracked accounts payable and receivable.

Ms. Carlson thereafter noted that the remainder of the Audit Report featured disclosures. Ms. Carlson indicated that note one (1) provided a summary of significant accounting policies, note two (2) described the Commission's investment policy, note three (3) listed the amounts due from McLean County at the end of fiscal year 2017, note four (4) provided an overview of the Capital Improvement Agreement between the Commission, City of Bloomington, and McLean County, note five (5) provided repayment schedules on the Commission's outstanding bonds, note six (6) described the Amended and Restated Lease Agreement, and note seven (7) listed the Commission's commitments.

Mr. Mulligan then stated that the amounts due from McLean County were received just after the close of the Commission's 2017 fiscal year. Mr. Mulligan also noted that the Commission had already made its first (1st) fiscal year 2018 bond payments.

Mr. Farnsworth then inquired about the status of the litigation detailed in the Audit Report's section concerning contingencies. Mr. Farnsworth specifically inquired as to whether those matters were fully concluded or just dormant. Mr. Porter responded by noting that the matters were fully concluded and would not be included in the Commission's Fiscal Year 2018 Audit Report.

Ms. Carlson then noted that the Commission would need to submit its Annual Financial Report to the Illinois State Comptroller's Office.

Mr. Porter lastly noted that the Commission's Fiscal Year 2017 Audit Report would be filed in the Office of the McLean County Clerk and that copies would further be mailed to the McLean County Administrator, the City of Bloomington, the Bloomington-Normal Airport Authority, the Bloomington-Normal Water Reclamation District, and the District 87 School Board. Mr. Porter further stated that a copy of the Commission's Fiscal Year 2017 Audit Report would be mailed to

First Midstate, Inc. Mr. Porter noted that First Midstate, Inc. would in turn provide a copy of the Commission's Audit Report to the U.S. Security and Exchange Commission's Municipal Securities Rulemaking Board.

Chairman Novosad then asked if there were any additional questions or comments for Ms. Carlson on the Fiscal Year 2017 Audit Report. Hearing none, Chairman Novosad asked for a Motion to approve the Fiscal Year 2017 Audit Report as submitted. It was moved by Mr. Reid and seconded by Mr. Farnsworth that the Fiscal Year 2017 Audit Report be approved as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next asked if there were any additional questions or comments for Ms. Carlson on the Fiscal Year 2017 Annual Financial Report. Hearing none, Chairman Novosad asked for a Motion to approve the submission of the Fiscal Year 2017 Annual Financial Report to the Illinois State Comptroller's Office. It was moved by Mr. Zimmerman and seconded by Mr. Funk that the Fiscal Year 2017 Annual Financial Report be submitted to the Illinois State Comptroller's Office. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then turned to the Commission's "Old Business" and asked Project Manager John Bishop of the Farnsworth Group to address the Allowance Authorizations to date on the McLean County Law & Justice Center Expansion Project. Mr. Bishop initially responded by noting that the Commission had recently been provided with Allowance Authorizations Five (5) and Six (6). Mr. Bishop stated that Allowance Authorization Five (5) included the floor-leveling work, the re-insertion of a coiling door into the new Jail facility, and the elimination of an unnecessary test. With respect to the floor leveling work, Mr. Bishop noted that revised staging plans had reduced the cost from approximately three hundred forty-nine thousand dollars and 00/100 (\$349,000.00) to three hundred forty-two thousand dollars and 00/100 (\$342,000.00).

Mr. Bishop stated that Allowance Authorization Six (6) included some minor revisions related to steel as well as changes to the furniture in Master Control. Mr. Bishop also indicated that Allowance Authorization Six (6) featured substantial revisions for the monitored door hardware, which revisions have been requested by the Sheriff's Department. In particular, Mr. Bishop noted that the Sheriff's Department requested the replacement of "door position switches" with "door keeper switches." Mr. Bishop noted that, unlike door position switches, door keeper switches are designed to alert Master Control when a door is both closed and locked. Mr. Bishop further stated that Allowance Authorization Six (6) included several information technology items, the addition of a door that was omitted during design, the removal of unnecessary exit signs, and the excavation of some bad fill material.

Chairman Novosad stated that the Commission had seen an uptick in Allowance Authorizations by virtue of the renovation work. Chairman Novosad noted that the Allowance Authorizations were caused by a variety of reasons and that they often needed to be approved on an expedited basis. As Allowance Authorizations are not change orders, Chairman Novosad noted that

they become effective upon the written concurrence of Mr. Bishop, Mr. Jack Moody, and Project Manager Matt Brown of River City Construction. Chairman Novosad indicated that the Commission nonetheless needs to be made aware of all Allowance Authorizations. Chairman Novosad then stated his desire that any Allowance Authorization costing over fifty thousand dollars and 00/100 (\$50,000.00) be subject to a concurrence vote by the Commission.

Mr. Farnsworth inquired whether a concurrence vote would be taken on entire Allowance Authorizations or single Allowance Authorization items. Chairman Novosad responded by noting that concurrence votes would be taken on single Allowance Authorization items exceeding fifty thousand dollars and 00/100 (\$50,000.00).

Mr. Morel indicated that he agreed with Chairman Novosad's proposed approach.

Mr. Farnsworth then inquired as to whether the County had been approving all of the Allowance Authorizations and Mr. Jack Moody responded in the affirmative.

Mr. Reid then noted that a delay in approving some of these Allowance Authorization items could prove costly.

Chairman Novosad inquired as to whether there were any additional questions, comments, or concerns regarding the procedure for processing and approving Allowance Authorizations. Hearing none, Chairman Novosad asked for a Motion to concur with the owner representative's approval of the McLean County Law & Justice Center Floor-Leveling Allowance Authorization. It was moved by Mr. Farnsworth and seconded by Mr. Zimmerman to concur with the owner representative's approval of the McLean County Law & Justice Center Floor-Leveling Allowance Authorization. Chairman Novosad called for a vote on the Motion to concur with the owner representative's approval of the McLean County Law & Justice Center Floor-Leveling Allowance Authorization and the Motion was unanimously approved by voice vote.

Chairman Novosad then asked Mr. Porter to discuss the Commissioners' annual Statement of Economic Interest filings. 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 whether there were any questions or comments for Mr. Porter regarding the annual Statement of Economic Interest filings. Hearing none, Chairman Novosad turned to the Commission's "New Business" and asked Messrs. Bishop and 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 the last few windows were recently placed on the exterior of the new Jail facility and that the facility's rooftop equipment had recently been installed. Mr. Bishop further stated that the sub-dayroom framing and mezzanines were currently being installed in the interior of the new Jail facility.

Mr. Bishop then showed the Commission a photograph of the exterior of the new Jail facility, a photograph of the new Jail facility's interior cells, a photograph of the interior of the new Jail facility looking west, a photograph of the masonry walls surrounding the non-contact visiting rooms, a photograph of the mechanical room, a photograph of the rooftop generators, and a photograph of the air barrier surrounding the new Jail facility's penthouse.

Mr. Bishop next noted that roofing contractors had recently been on site to unload roof stock. Mr. Bishop thereafter stated that exterior masonry work would commence in the beginning of May.

Project Manager Matt Brown of River City Construction then addressed the Project cost flow analysis and noted that the Project was approximately two million dollars and 00/100 (\$2,000,000.00) under projection. Mr. Brown noted that this discrepancy was largely due to weather, but that River City Construction would catch up to the projected cost once the weather improved.

Chairman Novosad then noted that the cost flow analysis reflected sixty-one percent (61%) expended versus forty-seven percent (47%) time elapsed.

Mr. Brown responded by noting that percent expended looked at days worked as compared to schedule and does not necessarily track the completion of the Project.

Mr. Farnsworth then inquired about whether River City Construction had requested any additional time to perform contracted work.

Mr. Bishop responded by indicating that River City Construction had issued three (3) weather notices, but had not requested any additional time to date.

Mr. Farnsworth then stated that any request for additional time needed to be promptly submitted.

Mr. Brown responded by noting that River City Construction had only made a time delay claim with respect to the floor-leveling work.

Mr. Bishop further clarified that all weather notices had been issued in calendar year 2018.

Chairman Novosad then asked if there were any questions or comments for Messrs. Bishop

or Brown regarding the status of the McLean County Law & Justice Center Expansion Project. Hearing none, Chairman Novosad noted that the Commission was being asked to vote to concur with the owner representative's approval of the Monitored Door Hardware Allowance Authorization. Chairman Novosad noted that the cost of the Allowance Authorization item was one hundred seven thousand one hundred eighty-one dollars and 00/100 (\$107,181.00) and that Mr. Bishop had addressed the work earlier in the meeting. Chairman Novosad noted that certain of the door hardware set to be replaced could not be returned. However, Chairman Novosad indicated that the County had assured him that that this hardware would eventually be utilized as replacement parts.

Chairman Novosad inquired as to whether this Allowance Authorization item was an owner request and Mr. Bishop responded that it was a combination owner request and coordination item. County Director of Administrative Services Eric Schmitt then stated that the Sheriff's Department felt that the Allowance Authorization item was necessary for safety and security.

Chairman Novosad then asked as to whether there were any additional questions, comments, or concerns regarding the Monitored Door Hardware Allowance Authorization. Hearing none, Chairman Novosad asked for a Motion to concur with the owner representative's approval of the Monitored Door Hardware Allowance Authorization. It was moved by Mr. Zimmerman and seconded by Mr. Reid to concur with the owner representative's approval of the Monitored Door Hardware Allowance Authorization. Chairman Novosad called for a vote on the Motion to concur with the owner representative's approval of the Monitored Door Hardware Allowance Authorization and the Motion was unanimously approved by voice vote.

Chairman Novosad next noted that the Commission had received an invoice from the Farnsworth Group on March 28, 2018 in the amount of nineteen thousand one hundred seventy-two dollars and 00/100 (\$19,172.00). This amount represented the fee incurred by the Farnsworth Group during the month of March 2018.

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 sixty-seven and-a-half percent (67.5%) of the Project's construction phase.

Chairman Novosad then asked if there were any questions or comments regarding the Farnsworth Group's March 2018 invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to the Farnsworth Group in the amount of nineteen thousand one hundred seventy-two dollars and 00/100 (\$19,172.00) 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 2018. It was moved by Mr. Farnsworth and seconded by Mr. Funk to approve payment to the Farnsworth Group in the amount of nineteen thousand one hundred seventy-two dollars and 00/100 (\$19,172.00) 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 2018. 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 on March 28, 2018 in the amount of two million one hundred forty-nine thousand four hundred ninety-eight dollars and 63/100 (\$2,149,498.63). This amount represented the fee incurred by River City Construction during the month of March 2018. Chairman Novosad asked Mr. Moody whether the invoice 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 then asked if there were any questions or comments regarding River City Construction's March 2018 invoice. Hearing none, Chairman Novosad asked for a Motion to approve payment to River City Construction in the amount of two million one hundred forty-nine thousand four hundred ninety-eight dollars and 63/100 (\$2,149,498.63) 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 2018. It was moved by Mr. Reid and seconded by Mr. Zimmerman to approve payment to River City Construction in the amount of two million one hundred forty-nine thousand four hundred ninety-eight dollars and 63/100 (\$2,149,498.63) 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 2018. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then turned to the contract for asbestos remediation at the McLean County Law & Justice Center. Chairman Novosad noted that two (2) firms submitted bids for the work and that Abateco, Inc. submitted the low bid of nineteen thousand dollars and 00/100 (\$19,000.00). Chairman Novosad then asked Messrs. Moody and Schmitt as to their opinion of the bid.

Mr. Moody indicated that Abateco provided an excellent list of references. Mr. Schmitt further stated that the Commission had received a good bid from Abateco.

Chairman Novosad then inquired of Mr. Porter as to whether the bid process satisfied the Commission's statutory obligations and Mr. Porter responded in the affirmative.

Mr. Porter then noted that, in light of the recent holiday, Abateco had not yet presented the Commission with a proposed contract. However, Mr. Porter indicated that the first (1st) phase of the abatement work was set to commence on April 17th. In light of this compressed schedule, Mr. Porter recommended that the Commission vote to authorize Chairman Novosad to enter into a contract with Abateco in the amount of nineteen thousand dollars and 00/100 (\$19,000.00).

Chairman Novosad then asked if there were any additional questions or comments regarding a contract with Abateco. Hearing none, Chairman Novosad asked for a Motion to authorize him to enter into a contract with Abateco for asbestos remediation at the McLean County Law & Justice

Center in the amount of nineteen thousand dollars and 00/100 (\$19,000.00). It was moved by Mr. Funk and seconded by Mr. Farnsworth to authorize Chairman Novosad to enter into a contract with Abateco for asbestos remediation at the McLean County Law & Justice Center. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then turned to the contract for asbestos monitoring at the McLean County Law & Justice Center. Chairman Novosad noted that Ideal Environmental Engineering, Inc. submitted the only bid of one thousand ninety dollars and 00/100 (\$1,090.00). Chairman Novosad then asked Messrs. Moody and Schmitt as to their opinion of the bid.

Mr. Moody responded by noting that Ideal Environmental Engineering was an excellent firm.

Mr. Porter then noted that, similar to Abateco, Ideal Environmental Engineering had yet to furnish the Commission with a proposed contract. Mr. Porter thus recommended that the Commission vote to authorize Chairman Novosad to enter into a contract with Ideal Environmental Engineering in the amount of one thousand ninety dollars and 00/100 (\$1,090.00).

Chairman Novosad asked if there were any additional questions or comments regarding a contract with Ideal Environmental Engineering. Hearing none, Chairman Novosad asked for a Motion to authorize him to enter into a contract with Ideal Environmental Engineering for asbestos monitoring at the McLean County Law & Justice Center in the amount of one thousand ninety dollars and 00/100 (\$1,090.00). It was moved by Mr. Zimmerman and seconded by Mr. Reid to authorize Chairman Novosad to enter into a contract with Ideal Environmental Engineering for asbestos monitoring at the McLean County Law & Justice Center. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next asked whether any Commissioner had any additional "Other Business" to discuss before the Commission. Mr. Porter then indicated that River City Construction had offered to take the Commissioners on a tour of a portion of the new Jail facility. Mr. Porter indicated that this would likely occur directly after the Commission's May 1st meeting. Mr. Porter stated that details would be forthcoming.

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. Farnsworth 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, May 1, 2018, at 3:30 p.m.

APPROVED:

May 1, 2018

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