

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

Tuesday, December 4, 2018, at 3:30 p.m. CDT

The Regular Meeting of the Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Vice Chairman Zimmerman on December 4, 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": Zimmerman, Morel, Farnsworth, Schultz, Harris, Reid, and Fruin. Chairman Novosad was absent.

Also present were Commission Attorney Robert Porter; Commission Treasurer James Mulligan; McLean County Director of Administrative Services Eric Schmitt; Project Manager John Bishop of the Farnsworth Group, Inc.; and Mr. Jack Moody.

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

Vice Chairman Zimmerman began by welcoming Mr. James Fruin as the Commission's newest member. Mr. Fruin responded by indicating that he was pleased to be a part of the Commission. Mr. Fruin noted that he was retired from State Farm after thirty-seven (37) years and that he currently sells real estate with Coldwell Banker. Mr. Fruin further indicated that he had previously served as an Alderman on the Bloomington City Council and that he is married and has three (3) sons.

The remaining members of the Commission thereafter introduced themselves to Mr. Fruin one-by-one and provided a brief overview of their professional backgrounds.

Vice Chairman Zimmerman then presented the Minutes of the November 6, 2018 Regular Meeting of the Commission for approval. Vice Chairman Zimmerman asked if there were any questions, additions, and/or revisions to the Minutes. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve the Regular Meeting Minutes. It was moved by Mr. Reid and seconded by Mr. Harris that the Minutes of the November 6, 2018 Regular Meeting be approved as submitted. Vice Chairman Zimmerman called for a vote on the Motion to approve the Minutes and the Motion was unanimously approved by voice vote.

Vice Chairman Zimmerman next called on Commission Treasurer James Mulligan to present the Treasurer's Report for the fiscal year. Mr. Mulligan first (1st) noted that he was out-of-town

attending a tax seminar during the Commission's November 6th meeting and was thus unavailable to present a Treasurer's Report. Mr. Mulligan then indicated that the Treasurer's Report was current as of November 30th. As a result, Mr. Mulligan stated that the Treasurer's Report did not reflect the Commission's most recent interest earnings on all of its bank accounts.

Mr. Mulligan then noted that the Commission's administrative fund internal bank certificate of deposit at Morton Community Bank had been renewed in late October at an annual yield of two and-a-half percent (2.5%). Mr. Mulligan also stated that the Commission's Project Fund checking account at Morton Community Bank was now yielding an annual rate of one and-a-half percent (1.5%). Mr. Mulligan further relayed that the Commission's four (4)-week Treasury Bill had matured at the end of November and that certain of the matured funds were wired into the Commission's Project Fund checking account at Bloomington-Normal Community Bank. Mr. Mulligan noted that the transfer increased the Commission's Project Fund checking account balance to two million three hundred fifty-nine thousand three hundred thirty-nine dollars and 05/100 (\$2,359,339.05), which is the maximum amount that the Commission can now legally hold in an FDIC-backed account. Mr. Mulligan stated that the balance of the matured funds were rolled over into another four (4)-week Treasury Bill.

Commission Attorney Robert Porter then added that the annual yield on the new four (4)-week Treasury Bill was approximately 1.8%.

Mr. Mulligan also indicated that the Commission had received a sixty thousand dollar and 00/100 (\$60,000.00) payment from McLean County under the Capital Improvement Agreement. Mr. Mulligan further stated that the Commission made a payment to the County in the amount of two hundred forty-two thousand five hundred fifty-three dollars and 75/100 (\$242,553.75). Mr. Mulligan noted that this payment covered operation and maintenance expenditures for November 2018. Mr. Mulligan also indicated that the Commission made a principal and interest payment in the amount of one million nine hundred seventeen thousand one hundred fifty dollars and 00/100 (\$1,917,150.00) on the Series 2015 Public Building Revenue Bond Issue on December 1st.

Vice Chairman Zimmerman then asked if there were any questions or comments for Mr. Mulligan on the Treasurer's Report. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve the Treasurer's Report and proposed payments as submitted. It was moved by Mr. Harris 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.

Vice Chairman Zimmerman next turned to the Commission's "Old Business" and asked Mr. Porter to address the status of the selection process for a new Public Building Commissioner. Mr. Porter reminded the Commission that the City of Bloomington had previously announced its intention to appoint Hannah Eisner as its representative to the Commission. Mr. Porter stated that the City Council had yet to act on this appointment. Mr. Porter noted that he would share additional details regarding the appointment as soon as he knew more.

Mr. Porter then stated that he hoped that Mr. Fruin would have an opportunity to tour the new Jail facility with Project Manager John Bishop of the Farnsworth Group, Inc. prior to it becoming occupied. Mr. Porter stated that Mr. Fruin could arrange a time with Mr. Bishop at the conclusion of the meeting.

Vice Chairman Zimmerman then asked if there were any questions or comments regarding the selection process for a new Public Building Commissioner. Hearing none, Vice Chairman Zimmerman turned to the Commission's "New Business" and asked Project Manager John Bishop of the Farnsworth Group, Inc., County Director of Administrative Services Eric Schmitt, and Mr. Jack Moody to discuss the architectural design, engineering services, and construction administration of the McLean County Law & Justice Center Expansion Project.

Mr. Bishop first (1st) noted that Project Manager Matt Brown of River City Construction, LLC. was traveling and thus unable to attend the Commission's meeting. Mr. Bishop then relayed that the new Jail facility reached substantial completion during the month of November. Mr. Bishop stated that the new Jail facility's exterior landscaping had also recently been completed and that River City Construction, LLC. was currently focused on demolition in the existing Jail facility.

Mr. Bishop then showed the Commission a photograph of the extreme north-end of the existing Jail facility. Mr. Bishop noted that this area would become a locker room, break room, and restroom for the new infirmary. Mr. Bishop next showed the Commission a photograph of the south-end of the existing Jail facility and noted that demolition had commenced in this area. Mr. Bishop noted that the demolition process had to be moved to the second (2nd) shift due to noise concerns in the courtrooms in the Law & Justice Center.

Vice Chairman Zimmerman then asked Mr. Bishop to address Allowance Authorization Eleven (11). In doing so, Vice Chairman Zimmerman noted that several of the items were pretty costly. In response, Mr. Bishop stated that he and Mr. Brown had found some areas of cost savings that would be passed along to the Commission in the future.

Vice Chairman Zimmerman then inquired as to whether various parts were the primary driver of the cost of each Allowance Authorization item. Mr. Bishop noted that the cost of some items were largely attributable to parts, but that other items' cost were driven by power sources.

Mr. Schultz then asked when the new Jail facility would become occupied and Mr. Bishop noted that occupancy would occur sometime around Christmas.

County Director of Administrative Services Eric Schmitt noted that a number of policies and procedures still needed to be developed before the new Jail facility could be occupied.

Vice Chairman Zimmerman then inquired as to whether personnel training in the new Jail facility had been going well and Mr. Schmitt responded in the affirmative.

Vice Chairman Zimmerman further inquired as to whether the ribbon-cutting ceremony went well and Mr. Schmitt again responded in the affirmative.

Vice Chairman Zimmerman next asked if there were any additional questions or comments for Messrs. Bishop and/or Schmitt regarding the status of the McLean County Law & Justice Center Expansion Project. Hearing none, Vice Chairman Zimmerman stated that the Commission had received an invoice from the Farnsworth Group, Inc. on November 27, 2018 in the amount of twenty-eight thousand nine dollars and 03/100 (\$28,009.03). This amount represented the fee incurred by the Farnsworth Group, Inc. during the month of November 2018.

Vice Chairman Zimmerman asked Mr. Jack 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 eighty-four and-a-half percent (84.5%) of the Project's construction phase.

Vice Chairman Zimmerman then asked if there were any additional questions or comments regarding the Farnsworth Group, Inc.'s November 2018 invoice. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve payment to the Farnsworth Group, Inc. in the amount of twenty-eight thousand nine dollars and 03/100 (\$28,009.03) 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 November 2018. It was moved by Mr. Harris and seconded by Mr. Reid to approve payment to the Farnsworth Group, Inc. in the amount of twenty-eight thousand nine dollars and 03/100 (\$28,009.03) 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.

Vice Chairman Zimmerman next noted that the Commission had been presented with an invoice from River City Construction, LLC. on November 26, 2018 in the amount of eight hundred ninety-nine thousand seven hundred eighty dollars and 71/100 (\$899,780.71). This amount represented the fee incurred by River City Construction, LLC. during the month of November 2018. Vice Chairman Zimmerman asked Mr. Moody whether the fee was in order and Mr. Moody responded in the affirmative. Vice Chairman Zimmerman asked Mr. Bishop whether he had approved the invoice and Mr. Bishop responded in the affirmative.

Vice Chairman Zimmerman then asked if there were any additional questions or comments regarding River City Construction, LLC.'s November 2018 invoice. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve payment to River City Construction, LLC. in the amount of eight hundred ninety-nine thousand seven hundred eighty dollars and 71/100 (\$899,780.71) 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 November 2018. It was moved by Mr. Farnsworth and seconded by Mr. Schultz to approve payment to River City Construction, LLC. in the amount of eight hundred ninety-nine thousand seven hundred eighty dollars and 71/100 (\$899,780.71) 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 November 2018. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Vice Chairman Zimmerman next noted that River City Construction, LLC. had presented the Commission with a Change Order concerning the Phase II Completion Date for the McLean County Law & Justice Center Expansion Project. Vice Chairman Zimmerman asked Mr. Bishop to address the Change Order. Mr. Bishop reminded the Commission that a number of issues were raised at the Commission's October 2, 2018 meeting as to whether the renovations of the existing Jail facility would actually be completed on or before June 12, 2019. Mr. Bishop noted that these reasons included County personnel requiring additional time to train on the systems in the new Jail facility as well as delayed demolition in the existing Jail facility due to higher-than-anticipated Jail population.

Mr. Bishop indicated that River City Construction, LLC. was accordingly asking the Commission to sign off on a Change Order that would extend the completion date of the renovation work to the new Jail facility by thirty-five (35) days or to July 17, 2019.

Mr. Schmitt noted that it was still possible that River City Construction, LLC. could complete its work by June 12th, but, if not, the Change Order sets forth River City Construction, LLC.'s rate of pay if it actually performs work between June 12th and July 17th. Mr. Schmitt noted that River City Construction, LLC. would receive one thousand six hundred forty-five dollars and 00/100 (\$1,645.00) per day, plus a fee of ten percent (10%), bonds of .25%, and insurance costs of one percent (1%).

Mr. Porter further indicated that River City Construction, LLC. would only receive this fee if work is actually performed. If the work is performed, Mr. Porter indicated that a Change Order would have to subsequently be approved that would have the effect of ratifying the cost incurred. Mr. Porter underscored that this Change Order would not impact the Commission's obligations under the Internal Revenue Code. Mr. Porter noted that the Commission only had to expend eighty-five percent (85%) of its initial bond issue on or before October 6, 2018 and that this requirement was timely accomplished.

Vice Chairman Zimmerman asked if there were any questions or comments for Messrs. Bishop, Schmitt, and/or Porter regarding the Change Order concerning the Phase II Completion Date for the McLean County Law & Justice Center Expansion Project. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve the Change Order concerning the Phase II Completion Date for the McLean County Law & Justice Center Expansion Project. It was moved by Mr. Schultz and seconded by Mr. Farnsworth to approve the Change Order concerning the Phase II Completion Date for the McLean County Law & Justice Center Expansion Project. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Vice Chairman Zimmerman next noted that McLean County was requesting reimbursement from the Commission for its purchase of various items as a part of the McLean County Law &

Justice Center Expansion Project's FF&E package. Vice Chairman Zimmerman asked Mr. Schmitt to address this matter further with the Commission.

Mr. Schmitt noted that the County spent two thousand nine hundred seventy dollars and 00/100 (\$2,970.00) for power supplies for computer equipment, five thousand two hundred forty-eight dollars and 50/100 for food servicing trays, and ten thousand four hundred ninety-four dollars and 00/100 (\$10,494.00) for mattresses. Mr. Schmitt stated that the County was thus seeking total reimbursement in the amount of eighteen thousand seven hundred twelve dollars and 50/100 (\$18,712.50).

Mr. Porter noted that the Commission had ultimately expended one hundred twenty-eight thousand one hundred twenty-seven dollars and 05/100 (\$128,127.05) of its four hundred thousand dollar and 00/100 (\$400,000.00) FF&E budget. Mr. Porter noted that the County still anticipated spending far less than four hundred thousand dollars and 00/100 (\$400,000.00) on FF&E.

Vice Chairman Zimmerman asked if there were any questions or comments for Mr. Schmitt regarding the reimbursement request. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve reimbursing McLean County in the amount of eighteen thousand seven hundred twelve dollars and 50/100 (\$18,712.50) from the Series 2015 Public Building Revenue Bond Issue's Project Fund. It was moved by Mr. Reid and seconded by Mr. Harris to reimburse McLean County in the amount of eighteen thousand seven hundred twelve dollars and 50/100 (\$18,712.50) 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.

Vice Chairman Zimmerman then asked Mr. Porter to address the 2019 Amendment to the Amended and Restated Lease Agreement. Mr. Porter reminded the Commission that it amended the Amended and Restated Lease Agreement with the County and City on October 6, 2015, which amendment had the effect of setting the County's annual lease payments to the Commission at ten million dollars and 00/100 (\$10,000,000.00). Mr. Porter stated that the County Clerk accordingly has an ordinance on file that sets the County's levy at ten million dollars and 00/100 (\$10,000,000.00) for each year through 2034. Mr. Porter stated that the ten million dollar and 00/100 (\$10,000,000.00) figure was established to give the County a degree of flexibility in terms of setting its levy. Mr. Porter noted that the ten million dollar and 00/100 (\$10,000,000.00) figure is higher than actual debt service and operation and maintenance costs on a given year.

Mr. Porter noted that, as a result of the foregoing, the County, City, and Commission are called on to amend the Amended and Restated Lease Agreement each year to ensure that the lease amount equals the amount the Commission actually needs to meet debt service costs, operation and maintenance costs, and its own administrative costs. Mr. Porter stated that the required figure from the County in 2019 would be six million eighteen thousand seven hundred thirty-six dollars and 00/100 (\$6,018,736.00). Mr. Porter noted that this figure was derived by totaling debt service payments on the Series 2015 Public Building Revenue Bond Issue, debt service payments on the

Series 2010 and 2013 Public Building Refunding Bond Issues, operation and maintenance expenses for the Law & Justice Center, Government Center, Juvenile Detention Center, Old Courthouse, and Animal Control Shelter, and the Commission's anticipated administrative expenses.

Mr. Porter indicated that the City's 2019 lease payment to the Commission would be one million fifty-nine thousand sixty dollars and 00/100 (\$1,059,060.00). Mr. Porter noted that this figure was derived by totaling debt service payments on the Series 2010 and 2013 Public Building Refunding Bond Issues and operation and maintenance figures for the Government Center.

Mr. Porter indicated that once the Commission, County, and City sign off on the 2019 Amendment, an abatement certificate will be filed with the County Clerk, which will allow the Clerk to extend a lower property tax amount. Mr. Porter lastly noted that he included a break-down of how the rental payments would be distributed in the form of a memorandum included in the Commissioners' meeting packers.

Mr. Farnsworth asked Mr. Porter the approximate value of the Commission's 2019 administrative fees and Mr. Porter noted that the fees were approximately one hundred thirty thousand dollars and 00/100 (\$130,000.00).

Vice Chairman Zimmerman then asked whether there were any additional questions or comments regarding the 2019 Amendment to the Amended and Restated Lease Agreement. Hearing none, Vice Chairman Zimmerman asked for a Motion to approve the 2019 Amendment to the Amended and Restated Lease Agreement. It was moved by Mr. Farnsworth and seconded by Mr. Schultz to approve the 2019 Amendment to the Amended and Restated Lease Agreement. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Vice Chairman Zimmerman next indicated that the Commission would need to adopt a 2019 Amendment to its Contract for Operation and Maintenance with McLean County. Vice Chairman Zimmerman noted that the Amendment set the Commission's operation and maintenance payment to McLean County at two million nine hundred forty thousand two hundred nineteen dollars and 00/100 (\$2,940,219.00). It was moved by Mr. Reid and seconded by Mr. Fruin to approve the 2019 Amendment to the Contract for Operation and Maintenance. Upon a roll call vote, all Commissioners voted in favor of the Motion.

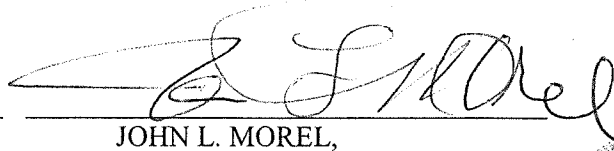
Vice Chairman Zimmerman then inquired as to whether the Commission had any "Other Business" to discuss before the Commission. Mr. Porter stated that the Commission would hold its January meeting on the eighth (8th) as the first Tuesday of January 2019 was New Year's Day.

Vice Chairman Zimmerman asked whether any Commissioner had any additional "Other Business" to discuss before the Commission. Hearing none, Vice Chairman Zimmerman asked for a Motion to adjourn. It was moved by Mr. Harris and seconded by Mr. Reid to adjourn and the Motion was unanimously approved by voice vote. The Regular Meeting was adjourned at 4:05 p.m.

The next meeting of the Commission will be Tuesday, January 8, 2019, at 3:30 p.m.

APPROVED:

January 8, 2019



JOHN L. MOREL,
Secretary, Public Building Commission

