

MINUTES OF THE RESCHEDULED QUARTERLY MEETING
OF THE
PUBLIC BUILDING COMMISSION OF McLEAN COUNTY, ILLINOIS

Tuesday, January 4, 2022, at 3:00 p.m.

The Public Building Commission of McLean County, Illinois (the “Commission”) was called to order by Chairman Novosad on January 4, 2022 in Room 404 of the Government Center, 115 East Washington Street, Bloomington, McLean County, Illinois.

The meeting was conducted pursuant to Section 7(e) of the *Illinois Open Meetings Act* (“Attendance by means other than physical presence”). 5 ILCS 120/7(e). Accordingly, the following findings were made at the outset of the meeting: 1) On or about December 10, 2021, Governor J.B. Pritzker issued a thirty (30)-day disaster declaration for the State of Illinois; 2) A fully in-person meeting of the Commission was impracticable due to the surge in cases of the Omicron variant of Covid-19; 3) All members of the Commission attending virtually could hear and communicate with members of the Commission attending in-person; 4) Members of the public were able to attend the meeting in-person; 5) Four (4) members of the Commission were present at the physical meeting site; 6) All votes of the Commission would be conducted by roll-call; 7) The surge in cases of the Omicron variant of Covid-19 constituted a bona fide emergency; and 8) A verbatim record of the meeting was being kept by way of audio recording.

Acting Secretary Robert Porter called the roll with the following members answering “present”: Novosad, Zimmerman (attending virtually), Schultz, Harris, Reid (attending virtually), Fruin, and Fazzini (attending virtually). Mr. Farnsworth was absent.

Also present were Commission Attorney Robert Porter, Commission Treasurer James Mulligan, County Administrator Cassy Taylor, Assistant County Administrator Cathy Dreyer, Stephen Adams of PMA Securities, LLC. (attending virtually), and Andrew Kim of PMA Securities, LLC. (attending virtually).

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

Chairman Novosad began the meeting by noting that Jack Morel had tendered his resignation from the Commission on December 24, 2021 due to health issues. Chairman Novosad remarked that Mr. Morel would be greatly missed and that the Commission would need to give real thought as to how best to honor his service. Chairman Novosad next indicated that, in the short term, the Commission would need to elect a new Secretary for the remainder of the Fiscal Year. Chairman Novosad noted that George Farnsworth had agreed to serve in this capacity for the remainder of the Fiscal Year, which ends on September 30, 2022. Chairman Novosad asked for a Motion to appoint Mr. Farnsworth as Commission Secretary. It was thereafter moved by Mr. Harris and seconded by Mr. Schultz to appoint Mr. Farnsworth as Commission Secretary for the remainder

of the 2022 Fiscal Year. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next presented the Minutes of the October 5, 2021 Quarterly Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. Hearing none, Chairman Novosad asked for a Motion to approve the Quarterly Meeting Minutes. It was moved by Mr. Fazzini and seconded by Mr. Harris that the Minutes of the October 5, 2021 Quarterly Meeting be approved as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad then presented the Minutes of the October 5, 2021 Annual Reorganization Meeting of the Commission for approval. Chairman Novosad asked if there were any questions, additions, and/or revisions to the Minutes. Hearing none, Chairman Novosad asked for a Motion to approve the Annual Reorganization Meeting Minutes. It was moved by Mr. Harris and seconded by Mr. Fruin that the Minutes of the October 5, 2021 Annual Reorganization Meeting be approved as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next called on Commission Treasurer James Mulligan to present the Treasurer's Report for the Fiscal Year. Mr. Mulligan began his Report by noting that the period of time between October 2021 and December 2021 had been relatively quiet. Mr. Mulligan indicated that the Treasurer's Report reflected receipt of both the County and City's final 2021 lease payments. Mr. Mulligan also noted that the Treasurer's Report reflected receipt of payments related to both the First (1st) and Second (2nd) Capital Improvement Agreements.

Mr. Mulligan next indicated that the Commission made its final principal and interest payment on the Series 2013 Public Building Refunding Bond Issue on November 1, 2021. Mr. Mulligan similarly relayed that the Commission made a two million four hundred fifty-three thousand nine hundred dollar and 00/100 (\$2,453,900.00) principal and interest payment on its Series 2015 Public Building Revenue Bond Issue on December 1st.

Mr. Mulligan then noted that the Treasurer's Report featured up-to-date interest earnings on most of the Commission's bank accounts. Mr. Mulligan further indicated that the Commission's disbursements were featured on page thirteen (13) of the Treasurer's Report.

Chairman Novosad asked whether the Commission's three (3)-month Administrative Fund C.D. at Morton Community Bank would soon be coming due. Mr. Mulligan responded in the affirmative and indicated that the C.D. was set to automatically renew. Mr. Mulligan added that he and Mr. Porter would be meeting with representatives of Heartland Bank & Trust Co. on January 14th to discuss investment alternatives. Although the discussion would pertain to the Commission's investments at Heartland Bank & Trust Co., Mr. Mulligan noted that the conversation may provide some ideas as to how better to invest the funds at Morton Community Bank.

Chairman Novosad 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. It was moved by Mr. Schultz and seconded by Mr. Harris to

approve the Treasurer's Report and proposed payments as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Noting that the Commission had no "Old Business," Chairman Novosad turned to the Commission's "New Business" and asked Mr. Porter to discuss the Second Amendment to the Amended and Restated Lease Agreement. Mr. Porter reminded the Commission that it would be selling a not-to-exceed amount of eight million five hundred thousand dollars and 00/100 (\$8,500,000.00) in Public Building Revenue Bonds on January 19, 2022. Mr. Porter noted that the proceeds from the sale would be used to repair or replace thirteen (13) elevators across the County's campus of facilities as well as construct a new Animal Control Shelter.

Mr. Porter next reminded the Commission that it collected the necessary revenue to pay the principal and interest on its outstanding Revenue Bonds through rental payments received from client governments that enter into lease agreements with the Commission. Mr. Porter further reminded the Commission that all of the properties currently occupied by McLean County were deeded to the Commission in 2015 as a part of entering into the Amended and Restated Lease Agreement, dated July 30, 2015. Mr. Porter indicated that this Amended and Restated Lease Agreement was in effect until 2034. Mr. Porter then relayed that the Second Amendment to the Amended and Restated Lease Agreement would extend the lease term between the Commission and County to 2041. Mr. Porter stated that this would allow the County to make rental payments to the Commission to cover the twenty (20)-year life of the Series 2022 Public Building Revenue Bond Issue.

Mr. Fazzini inquired whether both the County Board and City Council had approved the Second Amendment to the Amended and Restated Lease Agreement. In response, Mr. Porter stated that the County Board had approved the Second Amendment to the Amended and Restated Lease Agreement by a fifteen (15) to zero (0) vote at its December 16th meeting. Mr. Porter also stated that the County Board adopted a Lease Ordinance, which Ordinance pledges the County's full taxing authority to make rental payments to the Commission. Mr. Porter stated that the City Council would not vote on the Second Amendment as it excludes the Government Center.

Chairman Novosad asked if there were any additional questions or comments for Mr. Porter regarding the Second Amendment to the Amended and Restated Lease Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the Second Amendment to the Amended and Restated Lease Agreement. It was moved by Mr. Fruin and seconded by Mr. Schultz to approve the Second Amendment to the Amended and Restated Lease Agreement. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad thereafter asked Mr. Porter to discuss the Resolution Providing for the Issue of Not-To-Exceed Eight Million Five Hundred Thousand Dollars and 00/100 (\$8,500,000.00) in Public Building Revenue Bonds of the Commission for the Purpose of Acquiring, Constructing, Improving, Altering, Equipping, Repairing, Maintaining, Operating, and Securing Buildings, Offices, and Parking Facilities and Providing for the Sale of the Bonds for the Purchase Thereof (the "Resolution"). Mr. Porter noted that the Commission would need to authorize a Resolution

providing for the sale of the Series 2022 Public Building Revenue Bond Issue. Mr. Porter stated that the Resolution sets forth the uses and restrictions on the Bond Proceeds. Mr. Porter specifically noted that the Resolution requires the funds to be used on the identified capital projects, requires the Commission to maintain a Lease with the County for the life of the Bonds, sets forth the call date for the Bonds, sets forth how the Bond proceeds can be held/invested, establishes continuing disclosure obligations, etc.

Mr. Porter further related that the Resolution expressly authorizes the Chairman and Secretary to sign closing documents on the day of the sale. Mr. Porter noted that one (1) of these documents will be a Tax Agreement, which establishes arbitrage rules for the investment of Bond Proceeds. Mr. Porter reminded the Commission that the Issue will be in the sum of seven million six hundred fifty-five thousand dollars and 00/100 (\$7,655,000.00). Mr. Porter further reminded the Commission that PMA Securities, LLC. anticipates the Commission receiving an eight hundred forty-five thousand dollar and 00/00 (\$845,000.00) premium on the sale. Mr. Porter thus indicated that the total Bond proceeds would be in the sum of eight million five hundred thousand dollars and 00/100 (\$8,500,000.00).

Steve Adams of PMA Securities, LLC. then indicated that his firm is actively preparing to sell the Bonds. Mr. Adams indicated that the Bond rating process had recently concluded. Mr. Adams then noted that the Bonds would be sold at a competitive, closed bid sale on January 19th. Mr. Adams noted that the Commission would receive the proceeds from the Bond sale on February 9th.

Andrew Kim of PMA Securities, LLC. added his belief that the Bond sale would work out very favorably for the Commission.

Chairman Novosad inquired whether there appeared to be a lot of underwriter interest in the Commission's Bonds. In response, Mr. Kim indicated that underwriters would not sign up to participate in the bid until the day before or the day of the sale. Mr. Kim nonetheless stated his belief that there would be great interest in the sale.

Mr. Fazzini then asked why PMA Securities, LLC. felt that a closed bid sale would yield more favorable results than an open bid sale. Mr. Kim responded by noting his belief that a closed bid sale would force underwriters to lead with their best offer. Mr. Kim further noted his belief that an open bid sale incentivized parties to start with a high bid and move down.

Mr. Fazzini next asked about the circumstances under which a municipality would elect to pursue an open bid sale. Mr. Kim responded by stating that some municipalities enjoy actively watching their interest drop as an auction progresses.

Chairman Novosad then asked if there were any additional questions or comments for Messrs. Porter, Adams, or Kim regarding the Resolution. Hearing none, Chairman Novosad asked for a Motion to approve the Resolution Providing for the Issue of Not-To-Exceed Eight Million Five Hundred Thousand Dollars and 00/100 (\$8,500,000.00) in Public Building Revenue Bonds of

the Commission for the Purpose of Acquiring, Constructing, Improving, Altering, Equipping, Repairing, Maintaining, Operating, and Securing Buildings, Offices, and Parking Facilities and Providing for the Sale of the Bonds for the Purchase Thereof. It was moved by Mr. Fazzini and seconded by Mr. Zimmerman to approve the Resolution. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next asked Mr. Porter to address the Dissemination Agent Agreement with PMA Securities, LLC. Mr. Porter reminded the Commission that it was obligated under its 2015 Bond Resolution – and now its 2022 Bond Resolution – to furnish the United States Securities and Exchange Commission’s Municipal Securities Rulemaking Board (“MSRB”) with its annual audited financial statements. Mr. Porter specifically noted that the audited financial statements were uploaded to the MSRB’s Electronic Municipal Market Access. Mr. Porter indicated that PMA Securities, LLC. was willing to perform this service for the Commission without charge.

Mr. Porter stated that the Commission was being asked to enter into an agreement with PMA Securities, LLC. for providing the aforementioned service. Mr. Porter noted that the agreement principally sets forth the fact that PMA Securities, LLC. is not going to be responsible for the accuracy of the Commission’s audited financial statements.

Chairman Novosad asked if there were any questions or comments for Mr. Porter regarding the Dissemination Agent Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the Dissemination Agent Agreement with PMA Securities, LLC. It was moved by Mr. Harris and seconded by Mr. Fruin to approve the Resolution. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad thereafter invited County Administrator Cassy Taylor to discuss the repair and/or replacement of elevators across the County’s campus of facilities and the construction of a new Animal Control Shelter.

Ms. Taylor initially noted that the County had completed an inventory of its twenty-six (26) elevators. Ms. Taylor indicated that many of these elevators had not been repaired or refurbished in fifty (50) years or more. Ms. Taylor underscored the importance of beginning the infrastructure repairs necessary to get the elevators into shape. Ms. Taylor additionally stated that the County desired to pursue an aggressive timetable in accomplishing this work.

With respect to the Animal Control Shelter, Ms. Taylor noted that the facility had been damaged by the severe flooding that occurred in June 2021. Ms. Taylor also noted that the building is dated. Ms. Taylor stated that the County plans to expand the facility’s footprint by moving the facility south and placing a parking lot between it and a nearby creek. Ms. Taylor added that the County anticipated that community partners would be providing furniture and resources for the animals.

Chairman Novosad inquired whether an architect would be needed for the Animal Control Shelter Project. In response, Ms. Taylor stated that an architect and surveyor would be essential in

assisting with placing the facility on the site.

Chairman Novosad then asked whether additional land would be acquired. Ms. Taylor responded that a new site would not be acquired. Rather, Ms. Taylor stated that there is extra land at the current site not currently being used for a building.

Mr. Fruin returned to the subject of the Elevator Project and inquired whether any elevators would be taken out of service. Ms. Taylor replied by indicating that the County would continue to use all twenty-six (26) of its elevators.

Regarding certain prior Projects and discussions, Chairman Novosad asked whether the Roof Replacement Project at the Old Courthouse had been entirely completed. Ms. Taylor responded in the affirmative and noted that the Museum was very pleased with the work.

Chairman Novosad next asked about the status of the Fairview Building. In response, Ms. Taylor noted that the County is still in talks with the local Laborers International Union of North America ("LIUNA"). Ms. Taylor specifically noted that LIUNA was still attempting to secure certain historical grant money from the State. Mr. Zimmerman then asked whether the Fairview Building's historic status would impact future uses. Ms. Taylor indicated that the status would affect future uses. Ms. Taylor added that LIUNA was specifically seeking historic preservation funds from the State.

Chairman Novosad then asked if there were any additional questions or comments for Ms. Taylor regarding her report. Hearing none, Chairman Novosad asked Mr. Porter to address the 2022 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 in a given year. Mr. Porter noted that, as a result, 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 2022 would be seven million four hundred fifty-four thousand five hundred thirty dollars and 00/100 (\$7,454,530.00). Mr. Porter noted that this figure was derived by totaling debt service payments on the Series 2015 Public Building Revenue Bond Issue, anticipated debt service payments on the Series 2022 Public Building Revenue Bond Issue, operation and maintenance costs for the Old

Courthouse, Law & Justice Center, Government Center, Juvenile Detention Center, Animal Control Shelter, the Fairview Building, and the Commission's own administrative expenses. Mr. Porter indicated that the City's 2022 lease payment to the Commission would be five hundred thirty-one thousand nine hundred forty-seven dollars and 00/100 (\$531,947.00). Mr. Porter noted that this figure primarily encompassed operation and maintenance figures for the Government Center.

Mr. Fazzini inquired whether issues between the County and City relating to the use of the Government Center had been resolved. Mr. Fazzini specifically noted that he had received worrisome reports about the matter from City Manager Tim Gleason.

Ms. Taylor responded to Mr. Fazzini's comments by noting that she was unaware of such issues. Ms. Taylor did note that she would be meeting with Mr. Gleason on Thursday.

Mr. Fazzini asked Mr. Porter whether the Commission should delay voting on the 2022 Amendment until the County and City issues were resolved. Mr. Porter noted that he was unaware of such issues. Mr. Porter added that timely payment of the outstanding Revenue Bonds should be the Commission's ultimate concern. Mr. Porter stated that the 2022 Amendment established a means for these payments.

Chairman Novosad then asked if there were any additional questions or comments for Mr. Porter concerning the 2022 Amendment to the Amended and Restated Lease Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the 2022 Amendment to the Amended and Restated Lease Agreement. It was moved by Mr. Harris and seconded by Mr. Schultz that the 2022 Amendment to the Amended and Restated Lease Agreement be approved. Upon a roll call vote, Chairman Novosad, Mr. Zimmerman, Mr. Schultz, Mr. Harris, Mr. Reid, and Mr. Fruin voted in favor of the Motion. Mr. Fazzini voted against the Motion.

Chairman Novosad next asked Mr. Porter to discuss the 2022 Amendment to the Contract for Operation and Maintenance. Mr. Porter noted that the Amendment set the Commission's 2022 operation and maintenance payment to McLean County at three million eight hundred forty thousand three hundred seventy-seven dollars and 00/100 (\$3,840,377.00).

Chairman Novosad asked if there were any questions or comments for Mr. Porter concerning the 2022 Amendment to the Amended and Restated Lease Agreement. Hearing none, Chairman Novosad asked for a Motion to approve the 2022 Amendment to the Contract for Operation and Maintenance. It was moved by Mr. Fruin and seconded by Mr. Harris to approve the 2022 Amendment to the Contract for Operation and Maintenance. Upon a roll call vote, all Commissioners voted in favor of the Motion.

In turning to the Commission's "Other Business," Chairman Novosad again remarked on the retirement of Jack Morel. Chairman Novosad noted that Mr. Morel was first (1st) appointed to the Commission by the McLean County Board on February 5, 1974. Chairman Novosad further indicated that Mr. Morel had devoted his time and talent as Commission Secretary for most of his nearly forty-eight (48) year tenure. Chairman Novosad remarked that Mr. Morel would be greatly

missed and that the Commission should consider honoring Mr. Morel by passing a Resolution in recognition of his service.

Mr. Fruin stated that a Resolution would be a fitting tribute.

Mr. Porter suggested that, in addition to the Resolution, the Commission could ask the County Board to adopt a Resolution honoring Mr. Morel. Mr. Porter noted that such a Resolution would be a higher-profile recognition.

Mr. Fazzini felt that the Commission should pass a Resolution, ask the County Board to pass a Resolution, and present Mr. Morel with a desk clock.

There being no additional "Other Business," Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Harris and seconded by Mr. Fruin that the meeting be adjourned. Upon a roll call vote, all Commissioners voted in favor of the Motion.

The next meeting of the Commission will be Tuesday, April 5, 2022 at 3:30 p.m.

April 5, 2022 _____ George A. Farnsworth
George A. Farnsworth,
Secretary, Public Building Commission

