

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

Tuesday, July 11, 2023, at 3:30 p.m.

The Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Chairman Novosad on July 11, 2023 in Room 404 of the Government Center, 115 East Washington Street, Bloomington, McLean County, Illinois.

Secretary Reid called the roll with the following members answering "present": Novosad, Zimmerman, Reid, Harris, Fruin, and Fazzini. Mr. Schultz and Ms. Lee were absent.

Also present were Commission Attorney Robert Porter, Commission Treasurer James Mulligan, County Administrator Cassy Taylor, Assistant County Administrator Tony Grant, Michael Buragas of the Farnsworth Group, Inc., and Mike Johnson.

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

Chairman Novosad began the meeting by welcoming Mike Johnson. Chairman Novosad noted that County Board Chairman John McIntyre had recently selected Mr. Johnson to serve on the Commission for the remainder of former Commissioner Mike O'Grady's term. Chairman Novosad then indicated that the County Board still needed to vote to approve Mr. Johnson's selection. Chairman Novosad asked Mr. Johnson to introduce himself to the Commission.

Mr. Johnson began his remarks by noting that he looked forward to serving on the Commission. Mr. Johnson indicated that he was born in Bloomington, Illinois in 1962 and had resided in the community for much of his life. Mr. Johnson stated that he began his career at Champion Federal in 1983, where he worked until 1990. Mr. Johnson indicated that he is currently a partner at BPA Troxell. Mr. Johnson added that he has known Mr. Harris for all of his life as Mr. Johnson's parents are friends with Mr. Harris.

Chairman Novosad thereafter presented the Minutes of the June 6, 2023 Regular Monthly 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 Regular Meeting Minutes. It was moved by Mr. Fazzini and seconded by Mr. Reid that the Minutes of the June 6, 2023 Regular Monthly Meeting be approved as submitted. The Motion was unanimously approved by voice vote.

Chairman Novosad next called on Commission Treasurer James Mulligan to present the Treasurer's Report for the Fiscal Year. Mr. Mulligan began his remarks by noting that the Treasurer's Report featured up-to-date interest earnings on all of the Commission's bank accounts

with the exception of its account at Heartland Bank & Trust Co. Mr. Mulligan added that the Commission's internal certificate of deposit ("CD") at Clock Tower Bank was set to mature at the end of July. Mr. Mulligan noted that the CD rates had been steadily increasing over time. Mr. Mulligan next indicated that the Commission was earning approximately five-percent (5%) interest on its liquid funds at PMA Securities, LLC.

Mr. Mulligan noted that the Commission would be voting to approve payments to Otis Elevator Co. and the Farnsworth Group, Inc. later in the meeting. Mr. Mulligan indicated that the disbursements on the Treasurer's Report further reflected May and June operation and maintenance payments to McLean County as well as payment to the R.W. Gipson Agency, Inc. for the Commission's insurance policies for the 2023-2024 policy year.

Commission Attorney Robert Porter noted that the Commission was paying a premium increase of between three-to-four thousand dollars and 00/100 (\$3,000.00-\$4,000.00) over what the Commission paid for its coverage during the 2022-2023 policy year. Mr. Porter indicated that this increase was largely attributable to premium adjustments seen across the insurance industry.

Mr. Porter next indicated that he and Mr. Mulligan would be meeting with Courtney Soesbe of PMA Securities, LLC. on Friday to discuss whether the Commission would need to rebate the U.S. Treasury for some of its arbitrage earnings on the Series 2022 Public Building Revenue Bond Issue proceeds. Mr. Porter reminded the Commission that the interest rate on the Series 2022 Public Building Revenue Bond Issue was approximately 2.1%. Mr. Porter then indicated that much of these proceeds were earning approximately five-percent (5%) interest by simply remaining in liquid accounts at PMA Securities, LLC. Mr. Porter indicated that it was permissible for the Commission to earn arbitrage on its Bond Issues up to a point depending on how quickly funds were spent on the Commission's Projects. Mr. Porter noted that some arbitrage might have to be rebated to the U.S. Treasury depending on the timing of the Commission's Project expenditures. Mr. Porter relayed that PMA Securities, LLC. was tracking this for the Commission and would calculate any potential rebate amount. Although Mr. Porter conceded that this issue added some administrative complexity for the Commission, it also meant that the Commission was earning as much as it legally could on its Bond proceeds.

Mr. Fazzini commented that he was under the impression that the Commission could not earn any arbitrage whatsoever. Mr. Porter responded by noting that some arbitrage earnings were permissible for up to three (3) years following the issuance of the Bonds. Mr. Porter noted that the I.R.S. refers to this timeframe as the "temporary period."

Chairman Novosad then asked whether there was anything the Commission could do to avoid paying a rebate to the U.S. Treasury. In response, Mr. Porter indicated that the Commission could engage in yield-burning by investing in investment vehicles that would yield an average return at or less than 2.1%. Mr. Mulligan then indicated that there were not a lot of opportunities for the Commission to yield-burn.

Mr. Johnson then asked whether the Commission was already setting aside money in a

separate account in order to pay the rebate. Mr. Porter responded that the Commission was not currently doing this. Mr. Porter indicated that the Commission would be advised to open a separate "rebate checking account" in the event that PMA Securities, LLC. makes the definitive determination that the Commission will need to pay a rebate. Mr. Porter underscored the fact that PMA Securities, LLC. has yet to make this determination.

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. It was moved by Mr. Zimmerman and seconded by Mr. Reid to approve the Treasurer's Report and proposed payments as submitted. Upon a roll call vote, all Commissioners voted in favor of the Motion.

There being no "Old Business," Chairman Novosad turned to the Commission's "New Business" and asked Assistant County Administrator Tony Grant to discuss the status of the Elevator Modernization Project.

Mr. Grant began his report by noting that modernization of the elevator at the Old Courthouse would be finalized within the week. Mr. Grant then indicated that modernization work would soon commence on the elevator in the old Jail as well as the Law & Justice Center's sidewalk lift.

Chairman Novosad then asked Mr. Grant about the appearance of the elevator in the Old Courthouse. Mr. Grant responded by noting that Otis Elevator Co. and the County tried to draw from the historic wood in the building when deciding how to panel the interior of the elevator. Mr. Grant added that the new elevator penthouse and pit at the Old Courthouse looked wonderful.

County Administrator Cassy Taylor added that the County involved History Museum staff in many of the aesthetic decisions concerning the elevator modernization work at the Old Courthouse.

Chairman Novosad asked Mr. Grant whether he was pleased with the work performed by Otis Elevator Co. Mr. Grant responded by noting that Otis Elevator Co. had been great to work with.

Chairman Novosad next asked if there were any additional questions or comments for Mr. Grant regarding the Elevator Modernization Project. Hearing none, Chairman Novosad asked Mr. Grant to provide the Commission with a report on the Animal Control Shelter Project.

Mr. Grant initially noted that he had recently reviewed all of the data related to the Animal Control Shelter. As a result of this review, Mr. Grant reported that he determined that the data furnished to the Farnsworth Group, Inc. and Animal Arts contained bad information. Mr. Grant then indicated that the County, the Farnsworth Group, Inc., and Animal Arts was able to determine that they had been programming for a space that was thirty-percent (30%) larger than what was needed. Mr. Grant accordingly indicated that the Farnsworth Group, Inc. and Animal Arts was now designing for a space that was under ten thousand (10,000) square feet with an approximately six

million dollar and 00/100 (\$6,000,000.00) price tag. Mr. Grant added that the County might be able to use *American Rescue Plan Act* (“ARPA”) funds to cover any budget shortfall.

Mr. Fazzini inquired whether the new Animal Control Shelter would still be useful after ten (10) years. Mr. Grant responded in the affirmative and indicated that the new Animal Control Shelter would contain space for future build-outs.

Chairman Novosad asked about the current cost per square foot estimate for construction of the new Animal Control Shelter. Mr. Grant responded by noting that the current cost per square foot estimate was four hundred thirty-nine dollars and 00/100 (\$439.00) per square foot.

Mr. Fazzini then asked whether the contemplated reduction in size of the Animal Control Shelter would impact the facility’s aesthetics. Mr. Grant responded by indicating that aesthetics would not be impacted.

Chairman Novosad then asked whether soils tests had been performed. Mr. Buragas responded by indicating that soils tests had not yet been performed.

Chairman Novosad asked whether the Farnsworth Group, Inc. had completed a survey of the new site. Mr. Buragas noted that the survey had been completed. Mr. Porter added that he would be in contact with counsel for BNWRD as to the status of re-platting the new site.

Chairman Novosad next asked about the solar panels to be built on the site. Mr. Grant responded by noting that BNWRD would be constructing the solar array. Mr. Grant accordingly relayed that the new Animal Control Shelter would be designed to be connected to the grid with a solar hook-up to occur later.

Chairman Novosad then asked if there were any additional questions or comments for Mr. Grant on the Animal Control Shelter Project. Hearing none, Chairman Novosad asked Mr. Grant to provide the Commission with a status report on the operation and maintenance of the various Commission-owned facilities.

Mr. Grant reported that the County was currently working on a large boiler replacement project. Mr. Grant noted that the County was planning on issuing Requests for Proposals (“RFPs”) for this work in the fall. Mr. Grant added that the County intended for the work to be performed during the warm season in 2024.

Chairman Novosad asked if there were any questions or comments for Mr. Grant concerning the operation and maintenance of the various Commission-owned facilities. Hearing none, Chairman Novosad asked Mr. Porter to address the proposed contract with CORE Construction Services of Illinois, Inc. (“CORE”) for construction management services on the Animal Control Shelter Project.

Mr. Porter noted that the Commission was being asked to approve an AIA 133, Standard

Form Agreement between Owner and Construction Manager as Constructor, Agreement with CORE. Mr. Porter noted that the Agreement set forth a Project Budget of four million eight hundred fifty thousand dollars and 00/100 (\$4,850,000.00). Mr. Porter indicated that CORE would receive a twenty-three thousand five hundred dollar and 00/100 (\$23,500.00) flat fee under the Agreement for pre-construction services. Mr. Porter then indicated that CORE would receive five-percent (5%) of the guaranteed maximum price as compensation for its construction services.

Mr. Porter next indicated that he had spent a significant amount of time negotiating the form of the contract directly with CORE. As a result, Mr. Porter noted that CORE was now required to tender lien waivers for itself and the subcontractors with each pay request. Mr. Porter also relayed that CORE was now required to name the Commission and County as additional insureds on all of its policies. Mr. Porter next indicated that the prime bidders were now required to post performance and payment bonds. Mr. Porter then added that the Agreement eliminated liquidated damages provisions as well as the arbitration provision. In addition, Mr. Porter noted that the revised Agreement requires CORE to indemnify both the Commission and County for acts of negligence.

Chairman Novosad commented approvingly on CORE's five-percent (5%) fee.

Chairman Novosad then asked if there were any questions or comments for Mr. Porter regarding the A133, Standard Form Agreement between Owner and Construction Manager as Constructor, Agreement with CORE. Hearing none, Chairman Novosad asked for a Motion to approve the A133, Standard Form Agreement between Owner and Construction Manager as Constructor, Agreement with CORE. It was moved by Mr. Reid and seconded by Mr. Harris to approve the A133, Standard Form Agreement between Owner and Construction Manager as Constructor, Agreement with CORE. Upon a roll call vote, all Commissioners votes in favor of the Motion.

Chairman Novosad next noted that the Commission had received an invoice from Otis Elevator Co. on June 6, 2023 in the sum of forty-four thousand six hundred eighteen dollars and 94/100 (\$44,618.94). Chairman Novosad indicated that this invoice covered some materials and labor costs for certain of Otis Elevator Co.'s sub-contractors.

Chairman Novosad asked Mr. Grant whether he had reviewed and approved the invoice. Mr. Grant indicated that he had reviewed and approved the invoice. Chairman Novosad next asked Mr. Grant whether TEC had reviewed and approved the invoice. Mr. Grant again responded in the affirmative.

Chairman Novosad then asked whether there any additional questions or comments for Mr. Grant regarding the invoice from Otis Elevator Co. Hearing none, Chairman Novosad asked for a Motion to approve payment of forty-four thousand six hundred eighteen dollars and 94/100 (\$44,618.94) to Otis Elevator Co. from the Series 2022 Public Building Revenue Bond Issue's Project Fund. It was moved by Mr. Harris and seconded by Mr. Fruin to approve payment of forty-four thousand six hundred eighteen dollars and 94/100 (\$44,618.94) to Otis Elevator Co. from the

Series 2022 Public Building Revenue Bond Issue. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad thereafter noted that the Commission had received an invoice from the Farnsworth Group, Inc. on June 30, 2023 in the sum of ten thousand nine hundred forty-three dollars and 84/100 (\$10,943.84). Chairman Novosad indicated that this invoice coincided with twenty-five percent (25%) completion of the schematic design phase.

Chairman Novosad asked Mr. Grant whether he had reviewed and approved the invoice. Mr. Grant indicated that he had reviewed and approved the invoice.

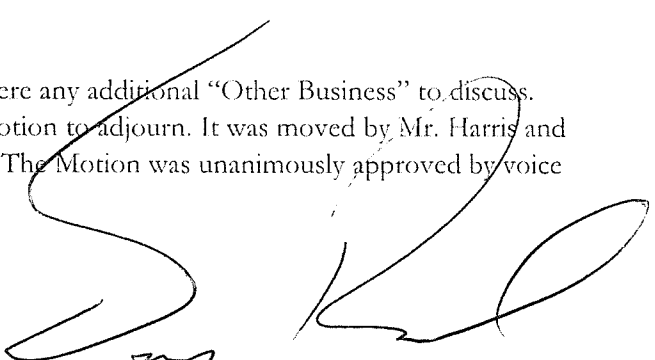
Chairman Novosad then asked whether there were any additional questions or comments for Mr. Grant or Mr. Buragas regarding the invoice from the Farnsworth Group, Inc. Hearing none, Chairman Novosad asked for a Motion to approve payment of ten thousand nine hundred forty-three dollars and 84/100 (\$10,943.84) to the Farnsworth Group, Inc. from the Series 2022 Public Building Revenue Bond Issue's Project Fund. It was moved by Mr. Fazzini and seconded by Mr. Zimmerman to approve payment of ten thousand nine hundred forty-three dollars and 84/100 (\$10,943.84) to the Farnsworth Group, Inc. from the Series 2022 Public Building Revenue Bond Issue. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad next asked if there was any "Other Business" to discuss.

Mr. Porter indicated that he anticipated that the County Board would approve Chairman McIntyre's selection of Mr. Johnson to serve on the Commission at the upcoming County Board meeting on July 13th. Mr. Porter indicated that Mr. Johnson's first (1st) meeting as a Commissioner would be in August.

Chairman Novosad then asked if there were any additional "Other Business" to discuss. Hearing none, Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Harris and seconded by Mr. Fruin that the meeting adjourn. The Motion was unanimously approved by voice vote and the meeting was adjourned at 4:18 p.m.

August 1, 2023

  
Terry Reid,  
Secretary, Public Building Commission

