

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

Tuesday, August 1, 2023, at 3:30 p.m.

The Public Building Commission of McLean County, Illinois (the "Commission") was called to order by Chairman Novosad on August 1, 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, Schultz, Fruin, Fazzini, Lee, and Johnson. Mr. Harris was absent.

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

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

Chairman Novosad began the meeting by presenting the Minutes of the July 11, 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. Johnson and seconded by Mr. Reid that the Minutes of the July 11, 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 he had simply prepared a list of disbursements to approve in light of the meeting falling on the first (1st) of the month. Mr. Mulligan then indicated that Otis Elevator Co. had billed out the entirety of the modernization work on the Old Courthouse elevator except for retainage. Mr. Mulligan next noted that approximately five hundred ninety thousand dollars and 00/100 (\$590,000.00) in U.S. Treasuries had recently matured in the fund that the Commission maintained with PMA Securities, LLC. Mr. Mulligan then reminded the Commission that its liquid account with PMA Securities, LLC. was yielding in excess of five-percent (5%).

Commission Attorney Robert Porter then reminded the Commission that he and Mr. Mulligan met with Courtney Soesbe of PMA Securities, LLC. on July 14th 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 relayed that PMA Securities, LLC. was tracking this for the Commission and would calculate a rebate amount.

Mr. Porter then recounted that Ms. Soesbe had advised him and Mr. Mulligan that the Commission would have a rebate liability. Mr. Porter indicated that Ms. Soesbe had calculated the rebate at eighty-seven thousand two hundred thirty-one dollars and 70/100 (\$87,231.70). Mr. Porter thereafter advised the Commission to set aside these funds in a separate account with PMA Securities, LLC. in order to be rebated at the end of the Project. Mr. Porter added that the rebate liability could grow depending on the speed with which the Commission expends Project Funds, but it would never be smaller than the eighty-seven thousand two hundred thirty-one dollars and 70/100 (\$87,231.70) identified by Courtney Soesbe.

Chairman Novosad asked whether there was anything the Commission could do to avoid paying a rebate to the U.S. Treasury. Mr. Porter responded by noting that the Commission could engage in yield-burning, but that these opportunities were not readily available.

Mr. Fazzini then indicated that the Commission having to pay a rebate was not something to be upset about. Mr. Porter agreed indicating that the Commission was earning as much as it legally could.

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

Chairman Novosad next turned to the Commission's "Old Business" and asked Messrs. Porter and Mulligan to discuss the re-investment of administrative funds held in an internal bank certificate of deposit ("C.D.") at Morton Community Bank.

Mr. Schultz then recused himself from the meeting as he is employed by Morton Community Bank.

Mr. Porter reminded the Commission that it had one million seven hundred forty-six thousand nine hundred twenty-nine dollars and 19/100 (\$1,746,929.19) invested in a three (3)-month C.D. at Morton Community Bank. Mr. Porter noted that the Commission first (1st) invested in this particular C.D. on October 28, 2016 with an initial deposit of \$1,600,000.00.

Mr. Mulligan next indicated that this C.D. matured on July 28th, but that the Commission had until August 7, 2023 to decide how to re-invest the funds. Mr. Mulligan indicated that renewing the C.D. for another three (3) months would yield a return of 3.64%. Mr. Mulligan relayed that rolling these funds over into a six (6)-month C.D. would yield a return of 3.86%. Mr. Mulligan

added that investing in a twelve (12)-month C.D. would yield a return of 4.02%. Mr. Mulligan then indicated that the Commission's iPrime account at PMA Securities, LLC. was yielding a 5.2% return and PMA Securities, LLC.'s proposed six (6)-month C.D. portfolio yielded a 5.33% return. Mr. Mulligan indicated that the Commission might find it desirable to invest the maturing C.D. funds into the iPrime account. Mr. Mulligan nonetheless indicated that Morton Community Bank has been good to the Commission and that the Commission has always prioritized investing with local institutions.

Mr. Fazzini stated his belief that the Commission would be leaving approximately eighty thousand dollars and 00/100 (\$80,000.00) on the table if it did not re-invest the funds with PMA Securities, LLC.

Ms. Lee asked whether the Commission could go back to Morton Community Bank and ask for a better rate. In response, Mr. Porter noted that he had already done so and that Mr. Mulligan had presented Morton Community Bank's best available rates.

Mr. Fruin stated his agreement with Mr. Fazzini. Mr. Fruin stated his belief that the Commission had a fiduciary duty to secure the best yield on its funds.

Chairman Novosad next asked whether there were any additional questions or comments regarding the re-investment of administrative funds held in an internal bank C.D. at Morton Community Bank. Hearing none, Chairman Novosad asked for a Motion to authorize the Treasurer to re-invest the matured funds in the internal bank C.D. at Morton Community Bank with PMA Securities, LLC. It was moved by Mr. Fazzini and seconded by Mr. Fruin that the Treasurer be authorized to re-invest the matured funds in the internal bank C.D. at Morton Community Bank with PMA Securities, LLC. Upon a roll call, all Commissioners voted in favor of the Motion except for Mr. Schultz, who was not present for the vote.

Following the aforementioned roll call vote, Mr. Schultz re-joined the meeting.

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 one (1) of Otis Elevator Co.'s subcontractors, Johnson Controls, did not bring enough fire alarms to finalize the modernization work on the elevator at the Old Courthouse. Mr. Grant nonetheless added that the work should be completed by the end of the week.

Mr. Fazzini asked whether Otis Elevator Co.'s other modernization work would be pushed back as a result of missed deadlines. Mr. Grant responded in the negative and indicated that modernization work on conveyances at the Law & Justice Center would begin within one (1) week.

Chairman Novosad asked whether the Commission should refrain from paying the Otis Elevator Co. invoices at this time. Mr. Grant suggested that the Commission should approve the

invoices subject to TEC approving the same. Chairman Novosad followed-up by requesting that a TEC representative physically sign all approved Otis Elevator Co. invoices. Mr. Grant indicated that he would visit with TEC about this request.

Mr. Fazzini then asked whether the Commission's contract with Otis Elevator Co. penalized Otis Elevator Co. for missed deadlines. Mr. Porter indicated that the contract did not contain any such penalties. Mr. Porter added that the contract did not contain a price escalation clause, which redounded to the Commission's benefit. Mr. Porter described the contract as a fair compromise that contained give-and-take on both sides.

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 a status report on the operation and maintenance of the Commission-owned facilities.

Mr. Grant began his report by noting that the County was in the process of replacing the boilers at the Juvenile Detention Center, Government Center, and 202 West Front Street. Mr. Grant noted that the boiler at the Juvenile Detention Center would be replaced this year. Mr. Grant added that the boilers at 202 West Front Street and the Government Center would be replaced in the spring of 2024. Mr. Grant next noted that the County was studying ways to consume less energy across all facilities.

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

Mr. Grant first (1st) distributed a recent rendering of the Animal Control Shelter to the Commission. Mr. Grant then indicated that a Project kick-off meeting had recently been held. Mr. Grant noted that the County, Farnsworth Group, Inc., Animal Arts, and CORE were working on identifying potential early bid packages.

Mr. Buragas then addressed the rendering that had been distributed to the Commission. Mr. Buragas indicated that the rendering featured an approximately ten thousand (10,000) square-foot building. Mr. Buragas indicated that he believed that this was a viable size for the new Animal Control Shelter. Mr. Buragas noted that the Farnsworth Group, Inc. would begin identifying site work after the concept drawings were completed.

Mr. Fazzini asked whether the proposed building would be large enough to serve the County's long-term animal control needs. Mr. Buragas responded in the affirmative and further noted that the design leaves room for future growth.

In reviewing the rendering, Chairman Novosad asked Mr. Buragas to identify the existing Animal Control Shelter in relating to the new site. Mr. Buragas indicated that the existing facility was northwest of the new site. Chairman Novosad then asked Mr. Buragas to identify where the

BNWRD facility was located. Chairman Novosad stated that the BNWRD facility was straight east of the new Animal Control Shelter site.

County Administrator Cassy Taylor indicated that the new Animal Control Shelter would be surrounded by trees on three (3) sides. Ms. Taylor felt that this enhanced the site's security. Ms. Taylor stated her view that the new site would be far superior to the existing site.

Mr. Fazzini asked whether homes could be built near the new Animal Control Shelter. Ms. Taylor responded by stating that homes could not be built near the site.

Mr. Grant described the new site as "nice and remote." Mr. Grant added that the new site's close proximity to a county road and I-55 would aid in the operation of the Animal Control Shelter.

Mr. Zimmerman asked about a target date for the groundbreaking. Mr. Buragas indicated that he thought groundbreaking would take place in early 2024.

Chairman Novosad asked whether a well would have to be dug on the site. Mr. Buragas responded in the affirmative.

Chairman Novosad next asked whether the solar farm would be sited on land owned by BNWRD. In response, Mr. Grant noted that the solar farm would indeed be sited on land owned by BNWRD.

Chairman Novosad thereafter asked Mr. Buragas to walk the Commission through the rendering. Mr. Buragas identified the lobby, cat housing areas, dog adoption areas, dog runs, offices, work stations, break rooms, food prep areas, laundry, veterinary areas, euthanasia room, and isolation cages on the rendering. Mr. Buragas then noted that the exterior façade was still in flux, but that it would be aesthetically pleasing.

Chairman Novosad asked Mr. Buragas whether soil tests had been ordered. Mr. Buragas responded by noting that those tests would be ordered in the near future.

Chairman Novosad next asked Mr. Buragas whether he had environmental concerns with the site and Mr. Buragas responded in the negative.

Mr. Porter then reported that he had been in contact with BNWRD's attorney regarding the proposed Project site. Mr. Porter reported learning that all survey work had been completed. Mr. Porter next relayed that BNWRD had been advised by the County's Building and Zoning Department that the new site did not need to be subdivided. Rather, Mr. Porter indicated that BNWRD would simply record the survey and use the survey for purposes of a legal description on its deed of conveyance to the Commission.

Mr. Porter advised the Commission that he would order a title search of the subject site. Mr. Porter further noted that once the land was conveyed to the Commission the Commission's lease

with the County would need to be amended to reflect the existence of a new leasehold site. Mr. Porter noted that he anticipated the entire process taking several months.

Chairman Novosad then asked if there were any more questions or comments for Messrs. Buragas, Grant, or Porter regarding the Animal Control Shelter Project. Hearing none, Chairman Novosad noted that the Commission had recently received three (3) invoices from Otis Elevator Co. for work on the elevator at the Old Courthouse. Chairman Novosad indicated that the Commission received an invoice dated May 16, 2023 in the sum of sixty-eight thousand seven hundred ninety-three dollars and 75/100 (\$68,793.75), an invoice dated June 6, 2023 in the sum of thirteen thousand seven hundred fifty-eight dollars and 75/100 (\$13,758.75), and an invoice dated July 12, 2023 in the sum of twenty-seven thousand five hundred seventeen dollars and 50/100 (\$27,517.50).

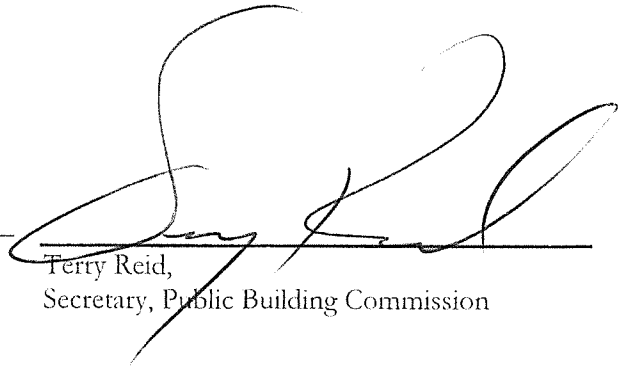
Chairman Novosad asked whether there were any questions or comments regarding the invoice from Otis Elevator Co. Hearing none, Chairman Novosad asked for a Motion to approve payment of one hundred ten thousand seventy dollars and 00/100 (\$110,070.00) to Otis Elevator Co. from the Series 2022 Public Building Revenue Bond Issue's Project Fund. Chairman Novosad further asked that this Motion be contingent upon approval of the invoices by TEC and completion of the modernization work. It was moved by Mr. Reid and seconded by Mr. Fazzini to approve payment of one hundred ten thousand seventy dollars and 00/100 (\$110,070.00) to Otis Elevator Co. from the Series 2022 Public Building Revenue Bond Issue's Project Fund contingent upon approval of invoices by TEC and completion of the modernization work. Upon a roll call vote, all Commissioners voted in favor of the Motion.

Chairman Novosad thereafter noted that the Commission had recently received two (2) invoices from Otis Elevator Co. for labor and materials associated with modernizing the sidewalk freight lift outside of the Law & Justice Center. Chairman Novosad indicated that the Commission received an invoice dated June 6, 2023 in the sum of nine thousand one hundred thirty dollars and 05/100 (\$9,130.05) and another invoice dated July 12, 2023 in the sum of forty-seven thousand nine hundred thirty-two dollars and 77/100 (\$47,932.77).

Chairman Novosad asked whether there were any questions or comments regarding the invoice from Otis Elevator Co. Hearing none, Chairman Novosad asked for a Motion to approve payment of fifty-seven thousand sixty-two dollars and 82/100 (\$57,062.82) to Otis Elevator Co. from the Series 2022 Public Building Revenue Bond Issue's Project Fund. Chairman Novosad further asked that this Motion be contingent upon approval of the invoices by TEC. It was moved by Mr. Fazzini and seconded by Mr. Fruin to approve payment of fifty-seven thousand sixty-two dollars and 82/100 (\$57,062.82) to Otis Elevator Co. from the Series 2022 Public Building Revenue Bond Issue's Project Fund contingent upon approval of invoices by TEC. 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. Hearing none, Chairman Novosad asked for a Motion to adjourn. It was moved by Mr. Zimmerman and seconded by Mr. Schultz that the meeting adjourn. The Motion was unanimously approved by voice vote and the meeting was adjourned at 4:23 p.m.

September 5, 2023



Terry Reid,  
Secretary, Public Building Commission

