



Chairman: Jay Stewart

Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

### **Minutes – January 9, 2014 Meeting**

Present in Springfield: Jay Stewart  
Ed Bedore

Present in Chicago: Rick Morales  
Larry Ivory

Present via Telephone: Bill Black

The Board started the meeting by confirming attendance at 10:10 a.m.

Chairman Stewart asked if there was a motion for Members Black and Member Ivory to participate by phone. Member Bedore made a motion to allow Member Black and Member Ivory to be participants this meeting via telephone and Member Morales seconded the motion. The motion was unanimously approved.

Next on the agenda was the approval of the Board meeting minutes from December 5, 2013. Chairman Stewart asked if there are any corrections offered by Board or Staff. Director Carter stated that Member Black was not on the phone yet and would make the motion for him, on page 7, paragraph 2, Member Black was referring to the Executive Ethics Commission and not JCAR in that paragraph. He would like to make that change in the minutes before they're approved. Member Black apologized for being late. He stated that he had dialed the wrong number. Director Carter stated that we're on to the approval of the minutes, do you have any corrections or changes? Member Black replied yes, on page 7 he believes he mentioned JCAR about how they couldn't communicate with them and instead of JCAR, he should have been talking about the Executive Ethics Commission. If that could be corrected, he would be most grateful. Member Bedore made a motion that we accept the minutes as amended by Member Black and was seconded by Member Morales. The motion was unanimously approved.

Chairman Stewart stated that next on the agenda is a formal resolution of the Procurement Policy Board for former Chairman David Vaught. Chairman Stewart stated that he will read it briefly and then the Board can vote on it. Whereas Chairman Vaught served as Chairman of the Board until December 4, 2013. Whereas during his term the authority, responsibly, and influence of the Board expanded in order to meet its mission to review and advise on matters related to State procurements. Whereas David Vaught played an integral role in shaping the mission and carrying out the purpose of the Board. Whereas the State of Illinois has greatly benefited from his service, recommendations of decisions that have saved the State significant monies in the procurement process. Whereas this Board and behalf of its members and the State of Illinois want to express their gratitude to Chairman Vaught and commend him for his vital public service that he volunteered to the State as Chairman of the Board. Therefore, this Board hereby expresses appreciation and commends Chairman Vaught for his service. Chairman Stewart stated that he would like to make a motion that we approve this resolution and Member Bedore seconded the motion. The motion was unanimously approved. Chairman Stewart stated that the motion was approved, the resolution was approved and they will sign it and send it on to former Chairman Vaught. And just on a personal note, he really does thank him for his service and he believes he is continuing service to the State of Illinois as being a member of the Illinois Finance Authority where his financial background will be very beneficial to IFA.

Next item on the agenda was the Procurement Policy Board Resolution. The Board has spent some time trying to look at a number of policy related issues related to procurement and the issues and areas of concerns

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that it's run across the last several years and certainly last year. There was originally a draft resolution that was very, very expansive and he thinks a little bit unwieldy. Director Carter broke the Policy Resolution down into tiers: Tier 1, Tier 2, Tier 3. Chairman Stewart stated that what he would like to do for each policy tier, go through what the Board wants to include a specific item in this resolution, pitch it, or move it to a different tier and then vote on that Tier 1, then move on to Tier 2, then move on to Tier 3. Obviously Tier 1 are the things the Board considers to be the most important. Tier 2 somewhat important and Tier 3 perhaps need quite a bit more thought before the Board does anything. He thinks anything in these resolutions, perhaps if agencies or entities have concerns about some of the matters in the resolutions the Board can spend the next thirty days talking at a staff to staff level to perhaps come up with some other resolution to the matter other than what the Board is proposing. Rather than go through verbatim and describe every single item, just for purpose of the Board Members have their booklets just talk or sort of vote on Item 1 in Tier 1 and Item 2 in Tier 2 and go through it that way and speed the discussion along. The first one is basically requiring other agencies to appear in front of the Board when requested. He thinks Member Bedore, Member Ivory, and Member Black have been very clear of their concern on this issue. He has some concerns about mandatory requirement, but he does understand the majority of the Board's view on this so he will vote in favor of this particular item on the resolution, but he just asks that maybe we spend some time talking to some of the agencies see if we can resolve it by some other means, but for purposes of today he'll vote for it. Chairman Stewart asked if there are any comments.

Member Bedore stated he will agree with that. He thinks that over the last six months or so we seem to have a slight communication problem with the Executive Ethics Commission and other agencies. He believes that this should be a Tier 1, but he also knows the Chairman will be talking to the EEC and maybe this can be resolved without legislation, but for now he agrees that we should vote for this as a Tier 1 priority. Chairman Stewart asked if there are any other comments from Board Members. Chairman Stewart asked if there is a motion to include Item 1 in the Tier 1 resolution. Member Bedore made a motion and was seconded by Member Morales. The motion was unanimously approved. Next was Item 2. This is dealing with the issue of leases and types of leases that should come in front of the Board. There has been quite a bit of back and forth with CMS and what he would like to do is move this to Tier 2 and talk to CMS and see if we can come up with some other resolution rather than a legislative fix and if that's not going to happen, then move it back to Tier 1. Chairman Stewart stated that he knows that this is an issue that Member Bedore also expressed some concerns about. Would that be acceptable to you? Member Bedore replied affirmatively. We have a complete new staff at CMS regarding leasing and also a new attorney, a new Department head so he is in favor of moving this to Tier 2 and have discussions and is sure this could be worked out. Member Bedore made a motion that the Board move Item 2 from Tier 1 to Tier 2. Member Morales seconded the motion. The motion was unanimously approved. Item 3 is requiring agencies to utilize space in the CMS leasing portfolio. Item 4 deals with a matter we worked with the Universities. Director Carter can you just briefly describe it. Director Carter stated that Item 4 is from a previously passed resolution that the Board worked on cooperatively on with the Universities and specifically, Legal Counsel for the University of Illinois, Scott Rice, on Board request provided his language that we worked on with him as a matter and put that into statute, as opposed to just a Board resolution. Chairman Stewart stated that Item 5, we don't have specific language, but we addressed the statutory provision that currently allows Community Colleges to re-contract with current vendors and the Board thinks that needs to be addressed. He doesn't think there is any real concerns on items 3,4, 5 and if that is the case. Member Bedore stated that Member Ivory might have a comment. Chairman Stewart asked if Member Ivory wanted to comment about Item 5 on clarifying statutory provision concerning the Illinois Community Colleges. Member Ivory asked if that dealt with the Junior Colleges and the QBS selection process. Director Carter replied affirmatively. Member Ivory stated that he would like to hold for a moment on that, unfortunately he is in traffic and there is some information that he is looking over, so perhaps we can move down the agenda and allow me an opportunity because that's a very important issue, in terms of the QBS process so if someone could just briefly give me the highlight of that, that would be helpful. Chairman Stewart stated that there is no specific language exactly, but this is to just address it we can come up with specific language and staff can share it with us. This is just to make it clear that it's a concern and a priority of the Board's to address it. He doesn't think there is specific language at this moment. Member Bedore stated that this is concerning the issues that you have raised over the past months. As the Chairman said, we don't have specific language, but he is sure you can work with staff and we'll come up with language. This is to pass something so we can move forward on this issue. Member Ivory replied no problem at all. He understands loud and clear and he is ready to vote on it also. Member Bedore made a motion that

we accept the Item 3, 4, and 5 in Tier 1 to move forward. Member Morales seconded the motion. The motion was unanimously approved. Chairman Stewart stated that Tier 2 is something the Board is still concerned about and the Board is maybe going to spend a little more time on and it's just obviously the Board's attention will be more devoted to Tier 1 issues, but we're not going to ignore Tier 2. The first issue is essentially recommending the appropriation of additional funds for more robust IT for procurement. This is sort of for everybody, the PPB, the CPO's offices, and CMS. His experience as a agency director, he can tell you the State is doing a better job of IT, but we still have and he would politely say, somewhat antiquated systems and a lot of time and effort is still on paper, and paper is inheritably slow and we're in the 21<sup>st</sup> century and anything we can do to help move it along. There are probably so many benefits to better IT, he doesn't have enough time to talk about it, so he thinks this is a great item to recommend and should be a Tier 1. Member Bedore makes the motion that we move Item 1 over to Tier 1. Member Bedore asked if we have any idea as he is sure that the question is going to come up, what type of money are we talking about. Chairman Stewart replied we can probably talk to BCCS, CPO's offices and at least get an estimate, but maybe also come up with if we had all the money we could want, then maybe a more achievable, tough budgetary times, but certainly adding our support to it can't hurt. Is there a motion to adopt Item 1? Member Bedore made a motion to accept Item 1 in Tier 2 and was seconded by Member Morales. The motion was unanimously approved. Chairman Stewart stated that number 2 he finds very interesting. It's to commission a study under the direction of the Board to review cost of the current procurement system and the follow up plans to reduce these costs. It a procurement efficiency study and he thinks this is a very interesting concept and recommends that the Board moves that up to Tier 1, and obviously ask for the funding to do so. Nothing is free, but this would be perhaps for all of our procurement agencies and the IDOT staff to the degree they like to be. It's difficult to perform these evaluations. Perhaps the services of a vendor the PPB maybe as somewhat of a neutral third party, could lead that effort and perhaps come on with some good system changes and a broader and more policy level perhaps help the Board to get a better understanding of the agencies and the CPO's offices. He feels strongly enough that he would like to move that one up to Tier 1. Chairman Stewart asked if Member Bedore would support that. Member Bedore replied he would recommend that we find out what the cost would be and he would make a recommendation we move Item 2 on Tier 2 to Tier 1. The motion was seconded by Member Black. The motion was unanimously approved Item 3, expand the revolving doors protections to cover grants. He thinks that's an existing requirement for various types of State activities that would simply include grant making that's covered by a revolving door. Item 4, is really as the Board has seen, there has been a fair amount of back and forth at CDB, between CDB and their CPO as to who gets to do what. Chairman Stewart thinks Item 4 is just asking that there be clarification, he doesn't think the Board is picking a side. There is some suggestive language and he doesn't think really it is their position. He thinks that there needs to be legislative clarification so that kind of conversation can stop and they can be more focused on their duties. Chairman Stewart asked if anyone would like to move Items 3 and 4 to be adopted. Member Morales made a motion to adopt Items 3 and 4 and was seconded by Member Bedore. The motion was unanimously approved. Chairman Stewart stated that he will go through Tier 3. The first bullet is broken out into several subsections, so he'll just go by letter. He thinks 1 (a) and (b) quite frankly, the efficiency study addresses those issues and he thinks that this is redundant and that it should just be dropped as it duplicative, and in his opinion, that the efficiency study is supposed to address those types of issues. Chairman Stewart stated that he thinks that Member Bedore, correct me if he is wrong, thinks subsection (c) which establishes definition of emergency procurements to cover process delays, feels that it should be moved up to Tier 2. Member Bedore replied absolutely. Chairman Stewart made a motion to drop (a) and (b) entirely and then move Item 1 (c) up to Tier 2. Member Bedore seconded the motion. The motion was unanimously approved. Chairman Stewart stated that (a) and (b) are dropped and (c) is moved to Tier 2. Chairman Stewart stated that he thinks (d) is duplicative of (c), and quite frankly he thinks (c) might cover a lot of (d) and (e), so he would recommend dropping (d) and (e). Item (f), he thinks is inherently a management function. This is to require discipline on process failures and he thinks it is inherently the function of management at the agencies and that's their responsibility, so he would recommend that (d), (e), and (f) be dropped in their entirety. Member Bedore made a motion to drop (d), (e), and (f). Member Ivory seconded the motion. The motion was unanimously approved. He thinks Item 2 is getting a bit far afield. This is to address all of the exceptions in the Procurement Code. If you currently look at what we have in Tier 1 and Tier 2, we have a whole lot and he thinks that is something the Board can come back to at a later time. He just doesn't think it's something, practically speaking, the Board has the time, and trying to get legislation through on this would be a challenging battle, and he thinks the Board's efforts are better directed elsewhere. He would recommend for the time being drop Item 2 in its entirety. Chairman Stewart asked if anyone wishes to second. Member

Bedore seconded the motion. The motion was unanimously approved. Chairman Stewart stated that he thinks Items 3 and 4, one is to strengthen conflict of interest rules on contract matters just to further ensure there is integrity in the contracting process. He doesn't think there is specific language proposed. Then Item 4, clarify the provisions on an indefinite quantity contracts. Those are Tier 3, lots of time to discuss, no action imminent, but certainly something to discuss with a relevant agencies. He thinks that it makes sense to pass a resolution. Member Morales made a motion to adopt and was seconded by Member Bedore. The motion was unanimously approved. Chairman Stewart stated Items 3 and 4 are on Tier 3 with that, he thinks we're done with the policy resolutions. Chairman Stewart stated to agencies present in the room and video or telephonically, he is sure there are some views on some of these matters the Board has voted on. The Board is willing to discuss with those agencies on a staff to staff level, or myself or anyone else on the Board, if you wish to discuss something or may have a concern with and perhaps some of these matters if there is a meeting of the minds they could just be dropped in their entirety. So he just wants to be clear, even if there is something that perhaps of a concern to an agency, the door is still open. With that we are done with the policy resolutions. Member Bedore stated that he would hope the CPOs, SPOs and Departments would be in contact with the Board's staff so we can follow up on this for the Board's February meeting, as we know the time frame of the General Assembly. Chairman Stewart replied yes, we have our bill deadlines, there are always opportunities later in session, but it's better if you can get a bill in before the bill drafting deadline is closed and yes we're aware of what the deadline is, so don't slow walk it.

Next item on the agenda was Facilities. In attendance was Rick Tate, Statewide Facility Manager for CMS. Director Carter stated that the first portion is the CMS property disposal process or the CMS surplus property process. Director Carter stated that Mr. Rick Tate is going to speak to that today. Mr. Tate stated that under his responsibilities there are over 500 State owned and leased facilities, in addition is a disposition of surplus property throughout the State for executive agencies excluding IDOT, DVA and Military Affairs. The brief overview is the agencies, after they have determined that a property is deemed to be surplus, submitting formal requests to the CMS Director, requesting that the property be surplus and ultimately transferred to CMS for disposition. CMS reserves the right to accept or decline that surplus, in addition they CMS responds to agencies requesting certain details, legal documentation, titles, legal descriptions etc., in order to reflect that transfer. Again, one of the overriding concerns is, despite the fact that the agencies made the request to CMS, there obviously are inherent costs built into the management or maintenance of this surplus property and it has to be taken into consideration by CMS when accepting those transfer properties. Once the State accepts that property transfer, they have their first obligation to determine the fair market value. Statutes require them to obtain three appraisals, one of which is located within the county where the building is located as well as two additional appraisers. Those three appraisals constitute the baseline or benchmark for the fair market value establishment. In addition to that, administrative costs associated with the acquisition of those appraisals, as well as engineering costs associated with the evaluation of the property. It should be noted that CMS also reserves the right to do a Phase 1, where additional engineering studies would access the evaluation of the property, the buildings per se on that real property Mr. Tate stated that a specific example is the Tinley Park Mental Health/Howe Developmental Center. CMS obtained a real property evaluation, however, one of the problems historically has been when we have a real property evaluation, yet it doesn't necessarily take into consideration liabilities associated with existing buildings on that location or any environmental issues associated with it, hazmat materials, asbestos, etc. In the case of Tinley Park, CMS brought in an engineer company to assess the cost directly associated with the demolition, remediation and abatement of those hazmat materials at Tinley Park. There was a specific number identified in that process, that was a matter of basic addition and subtraction and we took the fair market value appraisals for the real property, subtracted those direct costs, they ultimately became benchmarked for the fair market value for the Tinley Park Mental Health Howe Facility. Mr. Tate stated that one of the reasons why he raises this is 29<sup>th</sup> in Danville to give an example, where they did a fair market value appraisal in 2008, went to market on an open bid and had no responses at all because basically the market says the liabilities exceed the fair market value it's not representative of what actually the market would bear for that particular property. So in turn, they went back and obtained three additional appraisals and did hazmat environmental 1 assessment to determine again what is a realistic market evaluation at that particular time. So with that said, once the State/CMS has obtained the fair market value appraisals, determined the fair market value based on those averages and cost, we then in turn notify State agencies of the availability on that property and then after a 60 day period has expired, we notify local governments of that 60 day window, then in turn go to market with a reasonable amount of time

for open bid. That is the quick process that they have for disposition of surplus property. Chairman Stewart asked if Member Morales had any questions on this agenda item.

Member Morales stated that he wanted to clarify this, they do the three appraisals to get the fair market value and in addition they do an environmental Phase 1 and sometimes a Phase 2 as needed, and if there are surrounding properties that have issues with their environmental status, that affects the appraisal or the market value of the property. Is that what you're saying? Mr. Tate replied no. What he is saying is that they're evaluating the actual hazmat materials associated directly with our campus and the disposition or demolition of buildings if necessary, not adjacent properties. Although, the adjacent properties and their liabilities would be reflected in the fair market evaluation of the appraiser. Does that answer your question? Member Morales replied that he believes so. The appraiser then takes into account any environmental information that is available for surrounding properties, if it's available. Mr. Tate replied affirmatively. Member Morales stated and that would affect fair market value? Mr. Tate replied affirmatively. Member Morales stated that that sometimes it would be a hindrance to try to sell that property, get rid of the property if you would. Mr. Tate replied no, it's not so much of a hindrance it would be reflective of the value of that property. It would certainly diminish the value because of any liabilities existing on adjacent properties, but again that is taken into consideration in determining the fair market value based on that appraisal. Member Morales asked if once it is determined in the environmental on the property owned by the State does show that cleanup is needed is that something that the State would do and then proceed with getting rid of the property, or just sit on it. Mr. Tate replied no, they would go to market based on the evaluation with those liabilities being transparent to open bidders. Member Morales replied that he thought there was some kind of law that the seller would be liable for renting of the property, but I guess not. Mr. Tate replied not that he is aware of.

Member Bedore stated regarding the Auditor General's report that came out two or three months ago. It was stated in his report that CMS has held on to property too long and should be disposing of it quicker and seeking legislative change where that is needed to speed up the process, and our friend Nick Kanellopoulos at the last meeting stated that CMS was in complete agreement with this. What is your comment on this? Mr. Tate replied that as a matter of fact, we are pursuing legislative changes to expedite the surplus process, in particular the notion of the 60 day notification period for State agencies to do that simultaneously with acceptance of the surplus property, without having a FMV established to obviate or expedite that process. Other than that, there is nothing specific as far as prepared amendments that I am aware of. If you can give him a specific question... Member Bedore asked if he believes that it will shorten the process. Mr. Tate replied that time is one of the biggest concerns that the Auditor General identified so anything that they need to expedite that process, yes. The fact is they have gone public for auction for a number of properties without having an acceptable bidder that is meeting the fair market value of that benchmark. If CMS had the discretion to determine an acceptable buyer, albeit not meeting the fair market value established by the appraisal, that would be a solution to moving surplus property. For example, even if CMS had let's say transfer authority to take to a local government, would they be willing to accept it for a buck. In many cases they would not because of the simple liability of that campus. LDC would be a prime example. LDC was offered to the community of Lincoln in 2002 or 2003 when the owners initially closed for a buck, if you will, and they didn't accept that property. Member Bedore asked if Mr. Tate is only on the real state end of it, as far the disposition of property. Mr. Tate replied personal property. One of the specific steps laid out and acceptance of a transfer property is that all personal property be disposed of through their property surplus process, either internally, within the respective agency or subsequent to CMS personal surplus property. I'm done with the real estate side. Now that's not to say there are not assets on that campus that could be "salvaged" or disposed of outside of the real property process. Specifically a generator, for example, that is affixed to that campus yet would have some economic value and we're pursuing options with that also to liquidate remaining assets on closed campuses. Member Bedore asked what is their procedure of inventorying what the State has as far as personal property. Mr. Tate asked if he meant real property? Member Bedore replied affirmatively, what is the process. Mr. Tate replied that he believes Deputy Director Kanellopoulos basically set our process. There are two issues. One is that they accept what was submitted by the agencies and the represents the APURE report, which is submitted to the General Assembly every year. He thinks it was discussed at length at the last meeting, that in essence constitutes their inventory. They also work also with CDB to ensure that there are some consistencies as far as our database and their database. One could argue that it is garbage in and garbage out as far what the agencies are providing us necessarily in some isolated cases, but that does in fact represent our database. Member Bedore stated that CMS does not do a

survey on its own. Mr. Tate replied no, certainly not. They have an inventory of existing building that we occupy both State owned, but they don't go in the University system, we don't go DVA, we don't go to Military Affairs and survey their property. Now CDB undertook the VFA assessment back in 2008 and they were directed or requested to identify properties that were not listed by the respective agencies, but again he would refer to the minutes where Deputy Director Nick Kanellopoulos also said the fact that they do not have electronic databases to merge those independent responses and it's problematic.

Chairman Stewart stated that he knows there are and we have discussed the State's IT systems in general are not what we would all want them to be and obviously tight budgetary times. He would urge CMS to, if there is not a one fell swoop solution, which he doubts there is in the current budgetary environment, then come up with a plan to at least try to come up with a pilot, pick a few small agencies that they are relatively confident and have a small portfolio to try to come up with a standard protocol for reporting that theoretically, you could grow out to include other agencies. Yes, maybe it won't be all done at once because it's appreciative that CMS is being very forth right at acknowledging some of the difficulties with the current inventory and he is sympathetic to probably the view that it can't all be solved at once. Chairman Stewart stated that he would simply suggest, finding out a small digestible bit of creating at least a prototype of a database that's not going to cost a great deal and maybe just a few small agencies and then just something to point to and then build it out over time with other agencies. So you can have a better, at least maybe you're still going to rely on the agencies to do the inventory, but the data input sharing could be more standardized to allow better analysis by CMS and perhaps make it easier for the agencies to report in the first place. Mr. Tate replied that he agrees. CMS does have what they refer to as a goal list. He thinks it's a little tarnished, but it's a goal list that once it was initially created, it was representative of what they had identified from all the agencies and it was a comprehensive and obsolete as of day 2. Chairman Stewart stated that he thinks the problem is how do you maintain and update, what he is hearing is at one point in time there's a snap shot that is accurate and 3 days later it may not be accurate. It would be great to do it all in one fell swoop, but he would suggest rather than the Board having the same conversation every time, perhaps if CMS would at the next meeting or the meeting there after come up with, if at all possible, a plan for a couple of agencies and come up with a prototype for what they would like to see for everyone else, even if it's very limited. You have to start someplace. Mr. Tate replied that he understood. A point of clarification, in the leasing process CMS does in fact identify State owned locations within a reasonable amount of distance from the APR location and assess and evaluate the availability of space from that end. Chairman Stewart asked if there were any other further questions.

Member Bedore stated that it's just that if CMS is working on some legislative solutions, he thinks it would be great if they included the PPB and the Board could support it. When CMS goes to testify the Board would be there saying, right on. Chairman Stewart stated that when their legislation is ready for prime time, if they could share it with the PPB because it couldn't hurt if they support it and work with Director Carter and his staff when you are ready to share it with the Board, we would appreciate that. Mr. Tate replied that to just reinforce, if the impasse and of course we have also critical mass of surplus property in the last 3 years or 4 years unlike anything else prior to this, sorry he lost his train of thought there. Chairman Stewart stated that these are challenging times. Mr. Tate replied yes it is. No further questions or comments were made.

Next on the agenda was HFS Inspector General's Office on Chatham Road. Director Carter stated that there are two items left on facilities Susan Florence is going to speak to us about lease #6377, which is the HFS Inspector General lease on Chatham Road that Member Bedore requested last month and we also have lease #5393 DHS at 822 S. College is back this month for a Certificate of No Objection from the Board. In attendance was Susan Florence, Lease Administrator for CMS Bureau of Property Management. In regards to the HFS lease on Chatham Road, which was put on the agenda by the request of Member Bedore, she believes the Board has some desire to see this lease moved or consolidated into some other existing location? Member Bedore stated that he doesn't specifically have a desire. He thinks CMS, Mr. Kanellopoulos and this Board, wanted to move this lease. It goes back over a year and half, Mr. Kanellopoulos had said that this lease would be terminated January 1, 2013 and it was going to move, he can't remember, but DNR was going to move to Franklin Life and Mr. Kanellopoulos had 3 or 4 different places it was going to move to. It sits out there by itself and he understands that they're auditors and they have to be separate and apart from the main agency, but this has been talked about now for about a year and a half. So it's not Member Bedore asking, it's the Board saying and CMS agreeing, over the year and half that this should be moved and Mr. Kanellopoulos thought he had it all lined up and then with Franklin Life and then you had the concealed carry, you had the

expansion of the gambling, so there were changes and then he was talking about putting them out at the fairgrounds, there was all kinds, but that was a year and a half ago. Ms. Florence replied that she understands and she couldn't really speak to those conversations, since she wasn't involved in those conversations, but she can tell the Board that HFS remains pretty steadfast in its assertion that this needs to remain a stand-alone location. Member Bedore stated that there's nobody doubting that it should not be part of the HFS offices, the Board understands that. They can be in a different agency and stand alone; they could be in the State Police building to him that is still stand alone. Ms. Florence replied that the AIG building, currently there's been ongoing restacks there to accommodate some of the staff increases that you mentioned, some reworks and asbestos removal. Concealed carry and FOID are both currently expanding and they're looking to add about 92 staff and they're working to restack to both of those programs on one floor. Gaming Board is expanding and is expecting to add about 50 staff. Traffic, crash reconstruction are expanding and that headcount is not known at this time and they are now adding the new Medical Marijuana Program that headcount is not known at this time. So that building is kind of influx and ISP doesn't expect to have that done until late fall so that's out of the picture for the time being. CMS can certainly look at relocation opportunities. Ms. Florence stated that CMS believes that rate at Chatham Road is a good rate its \$13.77 full gross. Chairman Stewart asked if Director Carter had an idea. Director Carter stated that he was wondering if the Board reaches out to HFS. He knows CMS is going to be responsible for finding them a home wherever they want to go, but if the Board was able to reach out and to see the possibility of moving to another agency and then maybe CMS can help the Board with what possibilities would be less expensive than this, knowing they can't be with HFS so maybe they can't be with these other agencies, but he knows there are buildings out there with OAIG and other places as well. That way the Board is not asking CMS why they're not moving, and all the while they're saying they're not going to do it, so then maybe we will reach out to them and then maybe we can have some possibilities. Ms. Florence replied that would be great. Member Bedore stated that you say \$13.50 or well it's now \$13.77 is a fair price. Ms. Florence replied it's full gross. Member Bedore stated that it's not a downtown location. Ms. Florence replied correct. Member Bedore stated that CMS has a building, the Illinois Commerce Commission at 500 and Capital, a great building. Ms. Florence replied affirmatively. Member Bedore stated that they have reduced their rate. Ms. Florence replied that they have. Member Bedore stated that's \$3 or \$4 less than and its two blocks away from the Capitol. Do you know the building I'm taking about on Chatham? Ms. Florence replied she does, but has not been inside the building, but she knows the building. Member Bedore asked if she thought if that's a fair rate. Ms. Florence replied that within the market she thinks that is a fair rate, yes. Member Bedore stated sure they are all fair within the area, but we all know what's happening particularly to downtown Springfield. We know we're getting better rates, instead of going up here we're going up. Ms. Florence replied she agreed.

Chairman Stewart stated that he thinks we should take up Director Carter's suggestion and talk to HFS directly, CMS is obviously not going make the decision for HFS, but the Board will reach out and he thinks it's safe to say we're not going to stop looking at this and perhaps it would be best if the Board could reach out at staff to staff level and see perhaps, including CMS being the property expert, and have discussion about, is there some place else they I would guess it would be the security and confidentially concerns that HFS has that some other property can meet those needs, that perhaps has a better proposed lease rate than on this particular project as currently drafted, maybe it won't be convincing to the Board, perhaps they have some information that would be persuasive as to why this is, maybe it's some other reason why it's really necessary and he can't expect that CMS is going to know those types of answers. Member Bedore stated that the reason why he is pursuing is because CMS agreed that they should be moved. They agreed a year and a half ago. Chairman Stewart stated that's a pretty pertinent point to raise with HFS and maybe this specific property at the time has since changed where it was going to move to, but maybe something new has come available that was not available at the time this discussion was originally had. So the Board will reach out staff to staff and will come back with this at the next Board meeting.

Next on the agenda was DHS Lease #5393 at 822 S. College Street in Springfield. Ms. Florence stated that lease #5393 on South College and she knows that Mr. Kanellopoulos had presented this lease at the last meeting. At the Board's request CMS did re-address with the lessor and he has offered a rate of \$11.00 flat for the full 5 years of the initial term. If that's acceptable to the Board, she has prepared an updated white paper that she would be happy to distribute after the meeting. That would be a base rent savings of about \$11,000 a year and a little over \$ 62,000 over 5 years, which would be a TCO savings in the first year of \$11,000.

Member Bedore stated the rate is obviously comparable to other buildings that have just gone through rather than the \$12.50. Ms. Florence replied affirmatively. Member Bedore stated that it is not a large amount, but on the face we should be doing this and that's why we raised it, we just thought that \$12.50 was a little out of line with the other facilities that you're putting through. Member Bedore stated that he would make a motion when the Board is ready to accept this revised lease. With no other questions or comments Chairman Stewart seconded the motion. The motion was unanimously approved.

Next on the agenda was Legislation. Director Carter stated that he does have one bill that was just handed to him on his way over here, which is HB4187. It makes changes to Intergovernmental Agreements. He'll do some more research and put it in the packet for the Board's next meeting. He just wanted to let the Board know there has been one change so far, but he assumes many more are coming between now and next time. Chairman Stewart stated that they can put that in the Board packet and we can look at it. He thinks all Board Members are cognizant that we're heading into the legislative season and he believes the first session day is the 29<sup>th</sup>, the State of the State. He forgets when the bill filing deadline is, but sort of the middle of this month through middle-late February lots of bills will be popping and Director Carter and his staff will do their best to keep the Board apprised so we as a group can collectively weigh in on whether we support or oppose or have no position on the various bills.

Member Bedore stated that he had one comment. He knows it wasn't on the agenda, but it was a lease for DHS in Skokie regarding the Affordable Care Act. It states that 58 additional employees, we had some leases go through in Chicago for 200-300 more employees. How many employees are we putting on this Affordable Care Act? Ms. Florence replied they're hiring 400 statewide. Terry Schierholz stated it's about 1500 statewide. Director Carter stated that next month DHS will be here and can give the Board a firm count on that as well as a presentation about where they hope to ask CMS for the expansion on where they hope to house them. Matt Grady wanted to do it this month and they discussed it and would be more accurate if they did it in the February meeting, so we will have that on the agenda for February. Chairman Stewart stated that we will make sure this one, but maybe the broader picture too, and it sounds like there may be spill over in other agencies that are impacted by Affordable Care Act. Public Health might have some impact and he could see the insurance exchanges so there, perhaps, DHS the main focus, but there may be other agencies which could ultimately result in a request for more space. He knows there has been a lot of consolidation done, but that was being done at a time of declining headcounts and we might have stabilized, and perhaps in some areas, be adding some headcount due to federal mandates and alike. So it's something that the Board, thanks Member Bedore for raising that, it is boarder even in that one lease and we should try to sensitize agencies to be aware. Whether you're working with an agency your main focus is bringing the people on because you need people to do the work, but then there are these secondary, and now you need to find a place to put them, which many times agencies don't fully think out because there just so focused on trying to get the people on board. Which we're all aware hiring is not the easiest process of the State.

With no further business to discuss Member Bedore made the motion to adjourn the meeting and was seconded by Member Ivory. The motion was unanimously approved.