



Chairman: Jay Stewart

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

Minutes – July 10, 2014 Meeting

Present in Springfield: Jay Stewart
Ed Bedore
Bill Black

Present in Chicago: Rick Morales

Absent: Larry Ivory

The Board started the meeting by confirming attendance at 10:15 a.m.

First on the agenda was the approval of the minutes from the last meeting. Chairman Stewart stated that the Board had a chance to review them and believes that there needs to be a little more added to them. Director Carter stated that a small section at the end needed to be added to reflect the brief conversation that the Board had when they returned from Executive Session before it is published, but he believes it could be approved with that addition and will be published this afternoon. Chairman Stewart asked if there were any other comments on the minutes themselves. Member Bedore made a motion to accept the minutes as presented and to be amended, and was seconded by Member Black. The motion was unanimously approved.

Next on the agenda was following up on the minutes from the last meeting. Member Bedore stated that the follow-up he would like to delay is the Franklin Life Building, but if the Board wants to talk about the vehicles that would be alright. Chairman Stewart stated that he thinks that the Illiana Update was supposed to be here last time and there was a scheduling issue, so why doesn't the Board let the Department of Transportation come up and then the Board can work on the follow-up items later.

The next item on the agenda was the Department of Transportation (DOT) – Illiana Update. In attendance was Michael Forti, Chief Counsel for Department of Transportation, Roger Driskell, the Acting Director of the Office of Innovative Project Delivery, and Cindy Bushur-Hallam, a Special Assistant Chief Counsel at the Department of Transportation. Mr. Driskell stated that they wanted to provide the Board with a brief update on where they're at with the Illiana Procurement. CPO Grunloh was supposed to be here, but had a personal issue come up and unfortunately is unable to make it, so they wanted to provide the Board with an update. They have met with the Board several times, as you know by statute they are required to provide the Board with the two finalists at the end of their procurement, but they have been meeting with the Board regularly and he wants to keep you updated on the procurement. When they initially asked to meet, they scheduled a meeting with the Board and anticipated that they would be near the end of the procurement that they would be finalizing the procurement this fall, September-October time frame, but the procurement has been delayed. No issues with the procurement, it's more with the environmental side. Just to give the Board a brief update on where they are at, the (NEPA) National Environmental Protection Act requires them to complete an Environmental Impact Statement (EIS) followed by a Record of Decision (ROD) which is in course with the FHWA Rules. They anticipate that this spring, actually they received a Tier 1 EIS in January of 2013, the Tier 1 ROD documented the selection of the preferred alternative. The draft of the Tier 2 EIS was released in January of this year, so right now they're working with the resource agencies on both sides, this project goes I-55 down 65 as you're aware, and they are working with Indiana on it. Right now they're working resource agencies primarily the Midewin and Tallgrass Prairie. They are not buying any property from them, but there are impacts, so they're looking at litigation working with Department of Interior, US Fish and Wildlife working on that litigation. There were two lawsuits filed on that Tier 1, they don't anticipate any issues with

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those, but want to make sure as they do the Tier 2 EIS they have everything proper and everything with the resource agencies is done properly to avoid any future lawsuits, or if there is any litigation they would be able to defend those. So with that they are looking at the final EIS document going out this September. The ROD, Record of Decision, for the FHWA will not be until this fall, as late as November, maybe December even. It is still up in the air and it all depends on the resource agencies. With that they cannot issue the final RFP until the Record of Decision. So they are not looking at the final RFP until late fall, maybe the end of the year, worse case they hope. But stepping back on the procurement side, as the Board knows they had the RFQ issued November 8, 2013. They had five proposers and they short listed that down to four and those were announced January 17, 2014. So there are four teams working on the draft RFP at this point. Right now they're kind of waiting on NEPA. Mr. Driskell stated that they are still working with the developers, they are able to submit alternative technical concepts that they can review, working on the draft and then their evaluation criteria, which will be a quality and cost-based selection process and then they will look for the selection and award. Of course that process will be, like he said, after the ROD. So that is where they are right now. The procurement, he believes the Board is aware, that the environmental work is the entire project. They are procuring what is in Illinois and Indiana is procuring what is in Indiana, and they're running the two in parallel. The FHWA has to approve the final RFP document, which contains everything he knows of. Member Ivory is often concerned with the DBE's, they will have DBE requirements for their design/build construction operations phase, governed by the Federal Regulations for DBE's. Mr. Driskell stated that he would be happy to answer any Board questions or provide more information.

Member Bedore stated that he was just wondering how much money has been spent so far, roughly, ballpark? Mr. Driskell replied that he would say \$15 million. A lot of that is regardless of the procurement, they're doing the Environmental Impact Statement, they have consultants hired to do that and they also have consultant advisors hired to help them with the P3 procurement. It's the first for Illinois, its a billion dollars and DOT wants to make sure they get it right, so right now they have about \$15-\$20 million on the Phase 3 and the technical advisors. They also have money programmed for land acquisitions, but they can't have land acquisitions until they get the Record of Decision finalized. They have money set aside for utilities, but that won't occur until they buy the land. Mr. Forti stated that he believes when Secretary Schneider was asked a similar question by the General Assembly, perhaps back in May, she also pointed out that this money had been appropriated in prior years and that was the money that was being expended. Mr. Driskell stated that all of this has been previously appropriated in the annual program and a lot is in the multi-year program for the land acquisition. Member Bedore asked if there was any chance that this Record of Decision will not be, you're not going to get it, the Army Corp. and the environmentalist and everything else. Mr. Driskell replied he does not believe so. He thinks they have had everyone sign off, and the only two they are working with is Midewin and the US Fish and Wildlife Service with a couple of endangered species, which are not unusual, they have those on every project. There is an Indiana bat that they accommodate on every project they have in that part of the State, and now there is an Indiana long eared bat that they are addressing in existing lawsuits he believes they are in good standing. Ms. Bushur-Hallam stated that they have been meeting with the resource agencies at least once a month, sometimes twice a month. So they are fairly close to reaching a consensus on mitigation with those agencies. Member Bedore asked if they could give him a thumbnail one more time of the funding. Once this project...you talked about a tollway and bonding, is that the funding mechanism here? Mr. Driskell replied that the concept is a public/private partnership where they would bring in private financing, but of course that doesn't fund it, you still have to pay for the project. The concept is public/private partnership; they will come in, design, build, operate, maintain and provide a financing component. It's roughly 47 miles, 35 miles in Illinois. Our portion is close to \$1.1 billion, but they will design, construct, then operate and maintain it for 35 years. At the end of that 35 years there is hand-back requirements that must be in condition at that time that no major capital improvements will be required for 10 years beyond that, so this will cover all of that. They will put in some up-front money and the construction estimates have been around \$800 million. They will put in milestone payments, which they will pay during construction. They will bring in private equity as well as they're looking at TIFI loan, which is through the federal government, it's a very low interest loan around 3.3% right now mainly used for public/private partnerships, that is what FHWA has set that money, you don't have to be a public/private partnership, but that is where most of that money has been used, that with a combination of private activity bonds with the TIFI loan and the private activity bonds will be taken out, they will go through the Department but they would be taken out and would be the responsibility of the developer. This will be a toll facility and they will be collecting the tolls, using them to make availability payments over the life of the contract to the developer.

Member Bedore stated that this has nothing to do with the Tollway, but it does in a sense. Since you are the Director of Special Projects, he has been reading that they have been buying more land for the Peotone Airport, where is the funding for that coming from? Mr. Driskell replied that they have been looking at the public/private partnership for the South Suburban Airport, but he hasn't been involved in the land acquisition. Ms. Bushur-Hallam stated that those have been continual appropriations that have been out there for quite a few years. She thinks the recent acquisition of Bold Field was even some Illinois First money, if that tells you how long some of those appropriations have been out and some Illinois Jobs Now so it has been three sources of appropriations. Member Bedore asked what is the ultimate goal here? Is it to have an airport up and running within the 5 five years, 10 years? Mr. Driskell replied that it is different on the aeronautics side, the FAA is the one who technically develops the Environmental Impact Statement and completes that, right now they are doing an Air Space Study to see how the South Suburban Airport will fit in with the O'Hare, Midway, Gary and how all that fits in together and then after that they will begin their Environmental Impact Statement, which will probably take them, he is hearing, at least two years to complete the Environmental Impact Statement. In that time they are looking at what options to build the airport. Would it be a public/private partnership? Would you get appropriations to just build it? How much would you incorporate the private partner, how much, how little? There are still some questions to be answered, that is what they are looking at going forward with possibly a Request for Information to ask potential developers, potential airline companies, what would you like to see, what would be attractive and would bring in public investment into a project like this? Mr. Forti stated that from a timeline perspective the Illiana Project is further along, but both are very high priorities of the Governor, but Illiana is first and foremost in terms of a completion date, but with the recent purchase of the Bold Field they anticipate moving forward on SSA as well. Member Bedore stated that so they clearly understand where he is coming from being a former Chicagoan who was on the committee to form the Gary Airport and to fight Peotone, just so they know in the future where he is coming from. Mr. Driskell replied that he understood.

Chairman Stewart stated that he had a basic question on the Illiana, but Member Bedore had raised the Tollway, just to be clear, the primary role for financing is bonds of some sort if you find somebody, is that sort of set of how much they can bond or is there going to be the ability in the future to bond again, or is it kind of like you have to get it all, will it be enough bonding to get it built and then the Tollway will have to pay for the upkeep and everything else, the repayment of the financing or whatever it may be? Mr. Driskell replied that the way this is set up is the developer would present a financial package, they will have one bid and it will be the availability payment, and then that will escalate to a price index, but once it's set they will go in and be responsible to get all of the bonding, TIFI loan through that FHWA through DOT, but it will be their loan to repay. It will be one set and then once that decision is made, that is the maximum availability payment that they will do deductions from there, based on performance specifications. Chairman Stewart stated that litigation is always present over everything, but from what he understands everything is going well working with our partners in Indiana, but they are not running into any particulars other than the Indiana everything is going smooth, the environmental work is one complete project so they are both on the same page, they're progressing, they have their procurement basically at the same stage that IDOT does. There are no issues, they have done actually at least three other public/private partnerships, so they discuss how they are doing it. IDOT has its own procurement rules and their own laws for the Illiana, but everything is going well as far as working with Indiana. Mr. Forti stated that the need for litigation that has been filed has been filed against both the Federal government and the two states and they have collaborated with the Feds as well as INDOT all along and they are presenting it as a joint defense. Chairman Stewart stated that listening to the news in general and he heard a blurb about one of the Federal funds running a little, highway funds he thinks it was, and there is a package in Capital Hill to deal with this temporary shortfall. Would either of these projects be impacted, either the South Suburban or it doesn't look like Illiana would be, but...Mr. Driskell interjected that that's the Highway Trust Fund and it's going to impact almost all of their projects that have Federal Funds and it will affect every job. It really won't affect South Suburban it's a ways out there. Illiana, really they are looking at using maybe possibly TIFI funds, and really wouldn't affect that but would affect their regular program. Mr. Forti interjected saying everything else. Chairman Stewart stated that these would be the only two things that are not impacted. That's obviously something that their colleagues at the Federal government will have to resolve.

Member Black stated that they mentioned the Environmental Impact Statement and he is familiar with that, but on any of the projects that he has witnessed or worked on there has also been an Archeological Impact Study, have you already completed that or does IDOT not have to do that? Mr. Driskell replied that no, that is part of the Environmental Impact Statement, the biological and archeological resource agencies are involved. There will be some work coordination with the archeological groups normally once they identify the sites during the Environmental Impact Statement, once they are actually able to buy the land and go out there they have the archeological come out and take a look at the site to basically clear it. They take a look to see if there is anything substantial that they need to take some time to excavate, but that happens once they officially have the land bought, but they have that included. Member Black stated that he hopes they don't find any shards of pottery or skeletons. Mr. Driskell replied correct. Member Black asked if it is Indiana's intension on their 12 mile stretch, are they contemplating a toll for that relatively small section. Mr. Driskell replied affirmatively. What he means is that they are going to toll the whole section. What they want to work on is developing a joint tolling policy between the two states, so that it's a consistent toll across the entire corridor. They meet with Indiana weekly and have weekly calls with them on the project level, as well as the Secretary meets with their Commissioner weekly to talk and they have begun discussions on the tolling. Of course if they stay on schedule, the road will open by the end of 2018 so they have time to work all that out, but yes they are looking at tolling their facilities. Member Black asked if they were going to make any statement or there won't be anything in writing that once the bonds are paid off that this becomes a free highway. Mr. Driskell replied no, they won't say that. Member Black stated that it will save some concerns for later on. He stated that it is not far from where he lives, he lives on the Indiana boarder and the reason he asked that one question is that Indiana loves to do things a little differently than we do. He was just recently up north and saw their billboard in Forest Park that said, "are you tired of an Ill-economy, come to Indiana". He guesses they have more than that one billboard, he just likes to make sure that we are in sync with Indiana. Mr. Driskell replied that they are looking at what they are doing and taking it with a grain of salt. They want to do what is best for Illinois, because they know that they are doing what is best for Indiana, but to get the project done they obviously have to work with them. Member Black stated that they are very proud of the fact, and the billboard mentioned that they attracted 41 businesses from Illinois in the last 4 years. He is not sure if it is accurate, but they are very aggressive and very competitive, no question about that. Chairman Stewart stated that a lot of people like Illinois they just can't get enough of it. Since there were no further questions or comments made, Chairman Stewart thanked IDOT for their presentation.

Next on the agenda was the University of Illinois. In attendance was Mike Bass, Deputy Comptroller and Associate Vice President. Mr. Bass thanked the Board for giving him the opportunity to come back and talk with the Board about the P-card, and more importantly to talk about issues that have been raised in the last couple of meetings on a contextual basis and on a going-forward basis, to understand how they can better operate to allow the Board to do the business that it needs to do. Mr. Bass stated that the first time he talked about it, he thinks he was here the last time on P-cards they had a number that was 5,700, that included about 700 dormant cards so the rebase is 5,000 that they would have started from. Where they are today is they do a recertification every even fiscal year, so FY14 was a recertification that reduced them by about 485 cards, that's either by people who do not need the card and it expires on the biannual basis or they do not perform the recertification effort. So as of April they were right around 4,700 cards. Also, through this time there is a give and take of normal activity where people will apply for a P-card and be deemed allowable to get it, so at 6/24 they are at 4,702 active cards. They begin now, they have gone through a whole session in the last six months with informing their business managers and department card managers to tell them that they are in the midst now of instituting, beginning on 7/15, what they would refer to as their initial "right sizing effort of P-cards". Closure candidates were defined by underused or zero transactions over a time period and that was from 7/1/12 through the period starting until the end of FY13, so you have two years of activity or less than 20 transactions, so either no activity or less than 20 transactions on the card. Their anticipation is that they are going to be able to glean out and when that is over it won't show up until the September numbers, there is a 60-day workout on the card per the agreement with JP Morgan. They will gather in between 950 – 1,000 cards that will be reduced at that point, so right around 20-21% reduction on that. That's the first level, that anticipation will be rolled out all the time so that just becomes part of the look at transactions, some next year will be moved up a year or still on a year period, so they keep that going. That is where they are today. They are also instituting, and have been, an RFP that will be going out that will allow them to have more, sort of invasive monitoring and looking at real time auditing about transactions so if they get hits then they can really go out and say, what's going on or deny the transaction opportunity. The other initial change that they will

have is looking at the merchant. They have analyzed the spend, where those merchant codes are, and what they are doing there, and where can they a line that better with their e-procurement system and master contracts, and so they can get some of that commodity-based kind of activity off. Remember that the initial reasoning for the P-card was really a mass reduction in paper from department purchase orders so it would be under \$5,000 spend. Mr. Bass stated that there will be needs for them, but in the end he thinks they will continue to move down to where they feel more comfortable with it. He thinks the real auditing both, real time and pre/post, will give them more control as they go forward. That RFP is not on the street yet and they anticipate that going out pretty soon and they will see what they come back with as a system to be able to do something with that. All of these activities are related to the larger question of how they streamline and move into a more electronic-based procurement activity for the University on most of the transactions. He would be remiss to not remind the Board that there is a nice revenue stream off the P-card, and it does go toward supporting significant portions of his payables operation and so as they do this they also have to be cognizant of how do they then provide the needed support if they are losing revenue. Mr. Bass stated that in the old days the number of cards were important to that revenue equation, they aren't now. He can get a lot of value from their merchant from single-use activity cards, where he remits large scale payments out of his payables office, so there is different activity to shift in the dynamic, and so the stream from the revenue on that activity is still very strong.

Member Bedore stated that their revenue stream from this, what is it? Is it what they charge the vendors? Mr. Bass replied that it is really a percentage based on the value that they hit on utilization of payment, so they remit back to them the payment and if they do it in this way then they, he doesn't want to call it a rebate, but it is similar to that from JP Morgan. He can get the Board the exact...Member Bedore asked if they have to pay a penalty if they are late? Mr. Bass asked late to the vendors? Member Bedore replied affirmatively. Mr. Bass replied that they have a net 30...Member Bedore interjected that he knows that the late payment of the State...Mr. Bass replied that this is where they are a little bit different. The University gives the State a lot of credit through the year. They pay and then they remit to the State and get reimbursement. So they have the wherewithal to make their payments on a cash flow basis, they have to run their cash flow like any other large organization, but then if it is a State appropriation then they send a warrant over to the Comptroller and then at some point they will remit payment to them. They carry that, and have talked about that before, and in the fiscal year they will carry about a \$400 – \$500 million appropriation need or insufficient appropriation, they carry that credit until the end and usually the State, it has gotten better, but 2-3 years ago they were on an 18 month fiscal year, as you know. They didn't close out until December, but they would usually have between \$200 million, this year was better it was \$150 million, of their appropriations still outstanding by the end of the fiscal year, so it has gotten better in that, but March and April is where they hit their high watermark of outstanding appropriation not yet paid, which is \$400 – \$500 million of the \$600 some million that was appropriated. Member Bedore stated going back to the electronic tracking, will it show that for example, that if a professor is buying a lot of paper or pens. He stated that he has never really followed the logic of why they let individuals go out and buy paper, why they allow individuals to go out and buy Montblanc pens, when the University could buy carloads, and obviously get them a lot cheaper. He has never followed the logic on this. Mr. Bass replied that some of it is, as he has said here before, and you know it may not be an answer that's sufficient for everyone to want to accept, but there are cultural issues that they have had for many years in the institution, which is a lot of – it goes right down to the budget, they do a responsible RCM, the budget is owned by units all the way down and they determine how they want to use them. Mr. Bass stated that he does agree with Member Bedore and that is why by having the P-card makes it easier for them to go out and do those types of small-scale commodity transactions, he agrees with that, and given the fact that they have good contracts and they may not always be able to get the exact pencil that they want, but he will caveat that, there are certain times in certain situations where it is important to have a special thing to be done that they may not know that they should be using those contracts, because it is a good return and it will save them money in the end as they look to those...and they are trying to get those and they are constantly trying to develop the way so they can go back down to the units and say, if you acted this way your budget would have been extended "X" if you would have used the contracts that were available to you. Member Bedore stated that's his point. Mr. Bass replied you always have to get better contracts, better deals that you put on an easier way for them to use, which is an e-procurement system. Member Bedore stated that he knows that this is an exception to the rule, but it does happen. Take for example the band director. What new auditing will come out of this so a guy can't spend \$32,000 to fix his home on the P-card? Mr. Bass replied that what he wants to do, to be frank, is go back to the RFP and make sure that he can give him exact

answers on that. The intent of that is to see those trends, there would be a click on multiple transactions of a similar kind or an activity that then would escalate and you would be able to close it. That really, and he thinks he has said this before when he was here, the issue if you are a person who has the bent to be a crook, you are a crook and you will try and figure out a way to get it done. Those are internal, the basic thing that did not happen on that and the other one that they experienced in Chicago are internal control issues and they constantly fight that and try and make that a stronger more rigorous understanding out in the units that this is their job. You can't let someone hold all the keys to the kingdom in a transaction and expect that you are always going to be ok, it doesn't happen that way. It's not the norm, but they are definitely the things that make you think about how to be better prepared in the future. Chairman Stewart stated that presumably you could do things like number of transactions in a time period is a red flag or the dollar amount or certain types of vendors show up. You are going to run into it in some degree and then you are moving into HR territory and he is sure there are various, you can only use this card for official purposes etc, etc, etc, and all the stuff you have to sign off on. In the agencies they don't have electronic purchases so it is foreign language to him. If it's something that can only be paid by credit card they basically can't do it. Mr. Bass stated that these are the same questions that their Board looks at, how can they try to mitigate those types of activities that are embarrassing and need to get a better control over it? He thinks that the effort that they are trying to put on the P-card, and there are other things that can be done on this. Why he wants to see where activity is that they have good contracts for is they can shut down certain merchant codes so they can't even use the card for them. Unfortunately those are fairly gross in things and you have to be careful on how you do that. They are trying to work with their card affiliator with some and can they become more precise in that so they can actually get rid of the things that they need to. Member Bedore stated that he appreciates it and if they could keep the Board up to date in the future. Mr. Bass replied affirmatively. He will report to the Board and tell you where they are and where they expect to be. He thinks with full disclosure this is all, when they go through and say that card is gone, which will be soon, it is not a highly publicized thing, but you can appeal that and right now it is a fairly rigorous practice to think that you are going to be able to appeal it. Chairman Stewart stated that as they move into the more electronic environment or more controls in the P-card if they could give a status update, just an example and not comprehensive of some of the triggers that cause further review, just a sample of them would be helpful. Mr. Bass replied that they will do that and he is excited about seeing what they get back from the RFP, because there are products out there where they don't have to re-invent the wheel internally to do, that will be very helpful to them. Member Bedore asked when they anticipate the RFP. Mr. Bass replied that they are hoping to get that out there this fall. If not he will report back to the Board, but he thinks they have done all of their due diligence now so they are putting it together.

Member Black stated that he appreciates what he is doing and it might be wise someday to share that with local units of government. The Tribune has reported over the years townships, municipalities, small units of government that issue a of number of people in their administration credit cards, Visa, MasterCard, whatever and there have been documented illegal uses of those credit cards, and yet he serves on a local city council and suggested that they have 17 of them out and somebody went out and bought a laptop on a credit card. Well that's not the way you do that, we have a contract with somebody. Maybe when you get this thing put together we can share it with the Better Government Association or the Chicago Tribune, because people who get in trouble in local units of government, it usually starts with a credit card. Mr. Bass replied that he does not disagree with him. He will always say that the reality is the best system doesn't guarantee 100% accuracy or protection, but at least you are working on it and should see it. You shouldn't be surprised when the problem comes because you should have had an indication that there were issues that needed to be followed up on. Member Black stated that was one of the things that he didn't understand is when he was charging wallboard and lumber that somebody in the process didn't say, if you were going to build a wall or put wallboard up in one of the University rooms there would be five grievances filed in an hour. He just thought why didn't somebody see that? Mr. Bass replied that he didn't want to get too far into because it's done so at least the legal part of it is completed, but they did full restitution and all that kind of good stuff, but he thinks that is back to internal controls because people did not feel that they could tell him no and that's a problem, and they invest in those people to perform those functions and they didn't feel that they, that's his rationalization so, but the way that they structure the P-card process there is a control function in there at the department that is supposed to be done, and if not, and it wasn't in this sense, and he also has to be careful because he doesn't believe he held both those because that's bad and an internal control issue again, and you should have that control for it. Member Black stated that he appreciates the update and he knows that they will get a handle on it. He had a visiting professor several years ago from England and they were in a

classroom in David Kinley Hall, which was about 150 years old when he was in there, and he got mad because the restroom down the hall hadn't been painted since Abraham Lincoln was president, according to him, so he said to the class if you want to come over and help me on Saturday we will paint that restroom. Well many of us volunteered sure we would get extra credit, but that got back to somebody and he was told in no uncertain terms that he was not going to paint the bathroom and thinks the painter's union had a guy standing guard just to make sure. Chairman Stewart asked if there were any further questions on the P-card. With no further questions, the Board moved to the next item on the agenda.

The next agenda item was the discussion on leasing/leasing timelines. Mr. Bass stated that the process of how they engage in either renewals, a new lease and any other activity that would have to do with the lease agreement or amendments in there such forth, as a unit the planning part of when someone requires a lease is generated through the campus and the programmatic need that's developed. They then come over to the real estate office and say, we are looking for (X), 5,000 square feet, whatever, for this purpose in this area. That would then initiate the first contact of, are there internal stock that could handle that? Is there current leases that are under used where you could fill the space, if there is, usually that answer is no. When they have a lease they fill it, and then they go into an engagement of developing the specs that they would need the architectural designs and the kind of things that they would need to have. Then that leads to the RFI that they put out on the street. When he looked at some of the things that were happening, the two that the Board saw, he guesses the first thing that he would say is that he is struck, and he was when he was on the Board about where the PPB sits in the process, which is that at almost at post review after the agency has gone through and the University has gone through its process with its Board. The RFI has obviously been public and done and people are aware of it. The CPO now would have approved the decision and then it comes to the PPB for review. The last two leases put the Board in, and he recognizes this, in a very difficult position, because it was fish or cut bait for us at that time and that is not fair. Mr. Bass stated that he does think that as they go forward what he has asked their guys to do is to at least plan out better to where they can give the Board more time. The next two leases, he has talked to the Board about things that are on the horizon, that when they put an RFI out there it's public, but if what they need to do is also make sure that the Board and its staff have access and can look at that and if they have fundamental questions in the beginning they can get some of those things out. They have two big ones that are coming up, he thinks one RFI is already out, which is 200 S. Wacker which is the Illini Center in downtown Chicago. Mr. Bass stated that incorporates development on the 39th floor and their Executive MBA Program on the 4th floor that they have been in there for quite a while and have put in a lot of investment in there for classrooms. They also have some of the mezzanine and some of the 1st floor. They have done an RFI on that and have gotten 8 returns, and they are working through all that process and seeing what it's going to be, but that's a big one. Member Bedore stated that he and Mr. Bass were on the Board on this side the last time this came up and they had a lot of questions about it then. Mr. Bass stated that it was always comfortable for him on those, but enjoyable, but of course he had a different job then. Mr. Bass stated that the intent is to be able to get that to the Board hopefully by November. It's probably tight depending on the analysis, these are very complex things and there are a lot of different offers out there in different parts of the city, including the incumbent who responded as well. That would hopefully give them enough time to get it to the PPB for review as desired at six months before the expiration of the lease. Mr. Bass stated that he is trying to build in a better process, which allows more time so the Board doesn't feel like if you make a decision, he would rather they not, but if the Board makes a decision to send it back, there may be time for them to work something out that would be more reasonable as opposed to say, well now we just don't have any alternative, which is not fair. He thinks the other thing on leases is clearly the Code states that power of the Board and the expectation of what they do, in terms of fulfilling the Code and the required law. If there is something that is out of line, in terms of the process then that should have never gotten to the Board. They should have handled that before. Mr. Bass stated that he doesn't know of any individual instance where that has happened, but it may have, but if it definitely comes to the Board and you see that, it is incumbent on you to do that. Member Bedore stated that the problem he had was not the last lease but the lease before, the nursing program. Where was the planning department when they knew 5 years ago that that building was not going to make it in the next accreditation and the Trustees knew that they were going to tear this building down? It hasn't been painted in 17 years and no repairs because everybody knew that this building was going. Where was the planning to say, why don't we build a new building? Why don't we get it on track to get some funding, instead of going to this guy downtown in the Follet Building and paying \$31.00 a square foot? That's what really bothers him. Where was the planning? Here you can take \$31.00 that you are paying and here is a lease going through right now for Department of Human Services in

Champaign, \$12.65. Member Black stated that it had to be done in 90 days. Member Bedore stated or you wouldn't have had a nursing program, but where was the University for the last 5 years. He can understand leases that go through the process and comes to the Board late, but this had a 5 year window. The Director of Nursing said that they knew this 5 years ago, but where was the planning from the U of I? Mr. Bass replied that again, he tried to articulate this before, their structure is one where you have campuses that have their own planning offices. So the planning for the "Chicago Campus" capital is done through their facilities and management, and that is where their A/E's are, planners are, and project managers. There is a process within the institution at each campus to provide their requests for capital activity. The best that he can say is that it was proffered through the College of Nursing, and it did not reach the top or the top 3 of the Chicago campus, and why, we can only speculate but as he has said it before to the Board is there was a proximity lead to lack of intensity perhaps and certainly Urbana was not doing the capital programming for the Nursing at UIC. It is one of those unfortunate things that they have in their system that they are trying to avoid now. Look at this it is an embarrassing thing, where were you at? Why didn't you do it? Why didn't someone, it's not like they didn't talk about it. He means, they did talk about it, about how to get a nursing building built in Urbana for the Chicago program. Mr. Bass stated that he thinks the best instance, small comfort, and he agrees with Member Bedore is that the best thing that he saw about that is that he was insistent on how they did, it was that they both own it now. Now the question is what do you do once you get through that, because they are doing a lot of renovation and it is costly, there is no doubt about it. It's a classroom and they will probably use it very well and that is one that you will always have the ability to say, what in the hell were you doing, and he is saying that they didn't do it right and they are not going to do that kind of thing again from his perspective. So when you have frustration about that or when the Board is thinking about how do they deliver what they think is a concern on their part so that the University hears that and understands it and where do they need to do that is. He would ask the Board to think about the issue of putting that in a way where there have been instances that have come to them, the issue of lateness he thinks that they can control, that should be something that they should be able to do better and help the Board in that and information flow, whatever the Board needs, they have provided to the Board as fast as they can. The Board may not agree, but that's a different question and can they talk about that and see where they are going, but it would be interesting to talk about the need for them to do some more forward thinking on either construction or acquisition and to see how they can put that in more of a high profile. For example, Mr. Bass stated that he did talk about South Wacker and that is one sort of an anomalous thing that a different kind of activity that they do, but they also have one coming up that's a 21,000 square foot, grants and contracts in Urbana and the RFI will be going out in the same sort of time period. They are in a building on the research part in Urbana, so that is about 30-35% of the building that they have for just grants and contacts, it may not be that high but somewhere around there. Mr. Bass stated that the question that he has put out is let's do some analysis, he wants two or three analysis. What is acquisition in that building? There are different issues related to that because of it being on the research part so there is another Board that they have to deal with on that, but you should at least look at it, and even more so he has a lot of flow in leases that are administrative. The Board has the list and they put their list out on the website so anyone who wants to see their leases can see them. They are strictly back office activity. So what do they do in the near term to couch down acquisition or construction for a new admin building in Urbana and consolidate those things where they can. Now that is an analysis that will have a lot of different parts to it, but just do it for him because he wants to be able to look at it. So if he can, in the domain that he has impact on, can go forward to the Board and the leadership and say, this makes sense in the long run for them, they are good deals and RFI's are supposed to get you good deals if you can get them and for those types of functions it is pretty straight forward for office and IT kind of stuff. So that is one of the things that he is telling his real estate activity to do both here and in Chicago. Chicago is a little bit different in terms of where they can get the land and the research part in some ways may be attractive for that kind of activity.

Chairman Stewart stated that he wanted to follow-up on a couple of points that Member Bedore made. He thinks the way the statute is structured where we come in, it is not uncommon that the Board is going to be coming in and having the authority to act at the end of a particular procurement process. That is something that we all have to deal with and there are always going to be situations where something falls through the cracks. He thinks the concerns, to Member Bedore's point, is planning, which you can't plan for everything. Obviously, the best laid plans is mice and men and all of that. Particularly when you see something, and he knows there are some unique circumstances, a facility for a different campus, that is going to lead to issues, but there was a fairly lengthy lead time on that one and he understands the difficulty of campus B doesn't care much about campus A and campus A is a long ways away in proximity, he understands that, but there was a

lot of time there and rather than rehashing the past, on a forward looking basis, what tools you described it, but it's sort something that the Board is going to continue to be interested in because there is always going to be something negative. He doesn't care what system is in place, but eventually something is going to go sideways. The question is, did you at least have a decent system to start with and if some flaws in the system were exposed you can't undo whatever occurred, but what's the plan, maybe not instantly, but what's the plan to try to put in safeguards to, if not eliminate, then mitigate the possibility of it occurring again. So, to Member Bedore's point, the planning that did or didn't occur is in the rearview mirror, but on a forward looking basis, how is the University system going to try and address it and again lessen the possibility, we can't do it perfectly. The stuff that comes in late to him, there are two different buckets, if it's late and we're into holdover and if the Board doesn't act the landlord is going to evict, to him sometimes that may happen due to market conditions. There was one recently this year where many, many bids were received and no good bidders for the short story, that is going to happen from time to time, more of a concern is when it is late because the agency was just not fast off the mark that it started the process late, not that it took multiple bids. So again, lateness sometimes it is a market driven thing and there is not much you can do about it as the agency, but he thinks the same sort like the one last month it seemed at least from the Board's view, the University was a little delayed in getting the whole RFP out and by the time it got to the Board you really didn't have time to say they could take another whack at it and you have another 30 days. The system to him is sort of like the P-card discussion on steroids, what system, possibly electronic or otherwise, that they can come up with to flag those as early as possible, some are going to wind up in that kind of you have to decide now guys stance, but to just to lessen the likelihood of that. He has heard some good things and he would be interested in, and understands that things do turn around on a dime, but later in the year it could be just a procedure, but what new has occurred in terms of internal workflow to lessen that, again without making the University guarantee that it will never ever happen again. Mr. Bass replied that he agrees with Chairman Stewart. So on renewals they do automatic six months prior to update to everyone that has a renewal coming up. He thinks that in the end it is an issue of going above the unit. When there were problems about getting that done in a timely manner, some of that fell on the Office of Real Estate and some of that fell in the unit and so the question is elevating that quicker to his office for him to be able to go directly to the Chancellor and the Provost of the campus and say, remember that there are other people in this process than just us and the PPB including the CPO and the whole structure that we have, and by your dillydallying you are allowing the unit not to come to a conclusion in a timely manner. Mr. Bass stated that he can't force that, his real estate group is not the one to enforce that, it's to say get on them and let's get a fish or cut bait on this. He still has to have time to get that up to his Board approval for that. So he hears the Board and they are very cognizant at least from the real estate side at making sure if you are a unit that has a renewal coming up they are giving them at the minimum six months to start thinking about what they are going to do and get it back to them, follow-up, follow-up, follow-up. He thinks what they have to do is do the feedback and say that they are not getting follow-up so you are at risk so let's move it along about what they are trying to do. He thinks there might be a way to do that procedurally as well, which would be nice. Chairman Stewart stated that it's for the University to figure out what system will work for them. He doesn't want to try and suggest that they have to do this. Mr. Bass replied that he didn't want the Board to think that they don't, those kinds of things are out there in their system now that does it. The question is that you have to be very aggressive on both sides to make sure that they are fulfilling their timeline. Chairman Stewart stated that he is aware that sometimes they can't pull the trigger until someone else pulls the trigger. It's unfortunately common in State government. Chairman Stewart asked if there are any other questions or comments.

Member Black stated that it is refreshing to hear from Mr. Bass, because he knows both sides of the issue. He thinks this Board would have been on very solid ground to have denied the nursing lease, it was expensive, it was a lot of capital dollars from the University going into leased space, but had the Board done that then the fall semester may not have a place for a professional career track that is in high demand and the University sits in a regional healthcare center with Carle and Presence and Christie, but one of these days when Member Bedore can get his leg around one of these things and kick him in the shins, one of these days the Board is going to have to say no, and maybe that will help the University to get it across to other people in the University that you can't keep going in there at the last minute saying this has to be done in 90 days before the semester starts, oh my gosh we won't have a place for the nurses to go. The Board doesn't want to be in that position, but at some point they are going to look at the cost and the factors and the lateness of coming to the Board and the Board will say that they think the University could do better, maybe that will reverberate into the Chancellor and Provost and even in the boardroom that maybe we better do what some people have

been trying to tell us that they need to take a better look at, but then that puts the Board in one heck of a position, because you know the headlines wouldn't be the University Nursing Program has been delayed for a full semester. It would have been who does the Procurement Policy Board think they are. Look at what they have done. Member Black stated that he has received enough of those letters over the years and doesn't need any more, but the Board would have been on solid ground to say no and maybe that's what they will have to do someday to get everybody, not only just the University but in State leases as well, to say we are not going to do this. It's just not the right thing to do at that particular point in time, so he is glad that Mr. Bass is where he is and that he is trying to get people to pay attention and he realizes that the University is a huge bureaucracy. He has spent a lot of time there and he could never figure out who was who and what was what about half the time, but he is glad that he is there and hopes that they listen. Mr. Bass replied that he appreciates that, in the end he was very proud to be a member of this Board for many years so he does understand the conditions that they are put into. To be honest if he needs to come over here he will do that, his expectation is that we should be in a relationship where it is not needed or that he has to save something or something like that, because that is not the environment he wants to be in. I won't say that they may not agree, but that's ok about that discussion, but also he doesn't want to be in a position to where it comes back and the upper-management isn't keenly aware of what the situation is and he can assure you that they are and they will continue to be that because he has done that. Now, you know the institution publicly as well as he does, they are in again, where you will see a change in leadership and so it is even more important that continuity that is there remains being able to do their job and bringing up the issues that they have not only with external Board such as yourself, but the General Assembly or the Legislature or the public. Chairman Stewart stated that he didn't want to beat a dead horse, but the Board ultimately did approve the last two and as the record reflects it was not exactly the easiest call and especially two in a row, to the point that the Board hopes the concerns are heard and focuses aren't brought because something goes down. If that is how it plays out then so be it, but they prefer it to be proactive. Mr. Bass replied that he would like to avoid that as well. Chairman Stewart stated that it is more than just a theoretical possibility that's hanging out there. Mr. Bass replied that he agrees. Chairman Stewart stated that he does appreciate Mr. Bass being very forthright and being open to appearing before the Board. No further questions or comments were made.

The next agenda item was Central Management Services. In attendance was Susan Florence, lease administrator with the CMS Bureau of Property Management. Chairman Stewart stated that to move things along since the Board has had some broader discussions let's just get into the specific leases and then jump into the facilities. Director Carter stated that the first lease that is in front of the Board for a Certificate of No Objection is lease #2738, Department of Human Services at 11203 South Ellis Avenue in Chicago. The information on the lease rate and personal square footage is in the Board packets and Susan Florence with CMS is here to answer any questions the Board might have.

Member Bedore stated that regarding this lease, we are paying \$14.19 for Chicago which is not bad, but he doesn't quite understand why CMS has to have a full-time building and grounds person. In other words, CMS is paying this owner to rent this facility and CMS has a full-time employee in his building to take care of his problems in the building and take care of his grounds. Ms. Florence replied that it is kind of a misnomer, the position title of Building and Grounds Laborer is a misnomer. He is basically a day porter, it is an extremely high traffic office. They see about 400+ walk-ins every day. The lessor is responsible for janitorial, but that is mostly a night time contract, they come in at night and clean the building. This person makes sure that the toilet paper is stocked and helps keep the bathrooms clean during the day. CMS does also move them around between facilities if someone is moving. They assist with moves of other facilities in and out, they help keep office supplies stocked like paper and things like that during the day, and they're not doing grounds maintenance despite the title. Member Bedore stated that he delivers paper and things around that Human Services are not capable of going to the store room and getting their own paper, he doesn't quite understand. Ms. Florence replied it's not that so much again...Member Bedore interjected stating that you said he's a porter. Ms. Florence replied that it is a high traffic office, the office gets dirty quickly and clients are in and out of the bathrooms and in and out of the waiting area, really more of a day maintenance person to make sure there is soap in the dispensers during the day and to make sure that if there is a toilet clog, rather than call a plumber he tries to address those kinds of issues. Member Bedore asked if he cuts the grass and things like that. Ms. Florence replied no. Chairman Stewart asked if this type of personnel is common practice in other similar offices or is it unique to this specific office. Ms. Florence replied that in facilities of that size and that client traffic level it is not uncommon. She thinks that several of the leases before the Board today actually

have a day porter on staff. Member Bedore asked several of the leases before them? Ms. Florence replied that this one and she believes lease #5607 in Skokie as well, which has an even higher traffic load, client load than does Ellis. Chairman Stewart stated that the Human Services type cluster is equal to a large IDOT facility. Member Bedore stated that the lease on 63rd Street that went through that is co-owned by CTA's Pension Fund and the University of Notre Dame, does CMS have a full-time person there? Ms. Florence replied they do. Member Bedore replied we do? Ms. Florence stated that actually in that facility that person is billed through their internal billing. He spends about 80% of his time there and the rest of it at Western Avenue, which is another large DHS facility. Member Bedore stated then that leads to the next question. Why would a person be full-time at a facility filling soap dispensers and toilet tissue? What you maybe have to go through the facility once maybe twice? He doesn't really understand a full-time 8 hour employee to supplement, because at the end of the day there is a janitorial service. Ms. Florence replied affirmatively. Member Bedore stated that this person is just doing toilet tissue, soap, what else could they possibly be doing? Except being at the call of DHS to go get this, go do that for them. Ms. Florence replied that when you have 400 or 500 or 600 clients plus all of the staff, let's see at Skokie that's another 160 staff using the bathrooms all day long things get dirty very quickly and toilet paper and soap gets depleted very quickly and messes....Member Bedore interjected saying 8 hours of work? Ms. Florence replied that it's not all....Member Bedore interjected stating that all he is saying is why isn't there a schedule of 4 hours here and 4 hours at the adjoining one 5 miles away? Unless they are doing other things as you alluded to by saying, oh he goes and gets paper he probably goes and gets lunch for the people, who knows what a porter does. He is sorry, he does understand that 400-500 people going in and out that's high traffic, but you also understand that we have full-time janitors at the end of the day. Chairman Stewart stated that it would be interesting maybe in the future, what is it that triggers the need. What does CMS look at to decide it needs, this is an appropriate use for personnel from a facilities management perspective. You described the duties a little bit obviously, but it would be helpful to know what is it to say yes, this facility has enough of X, Y, and Z that they have determined the following fashion to warrant the hiring of part-time if they are split between different facilities, or full-time dedicated solely to a facility that may or may not eliminate anything but he thinks it would be helpful. Member Bedore stated that when you take the person's salary and then double it for benefits, you are talking a healthy amount here added on to each one of these facilities. Chairman Stewart stated that he thinks if the Board had a better understanding of the duties, he means the title is apparently misleading so again, that is not uncommon either that the job title and the informal work title would not be in the same language, so it would be helpful getting past the job title, what is it that this person does, what is it that drives, what's the assessment that somebody at some point said that this facility needs a person to perform the following functions. That probably would be helpful, because yes, it does on the surface it is a little bit, he understands that there may be more to it than what we are presently aware of, but on the surface it could be helpful to the Board. It is a little bit of a struggle, again he is on the 9th floor of the Thompson Center and there is a lot of traffic there. When the Prisoner Review Board meets, let's just say he uses different facilities but with that said, is this the best way to address the issue and he is fully cognizant of the issue of collective bargaining and all that, but he thinks the Board is looking at the 30,000 foot, this isn't a specific example, but it's the 30,000 foot view of why are we doing this and this is the specific example that might be helpful for a future meeting. Ms. Florence replied sure. Chairman Stewart asked if there were any other questions or comments. A motion for a Certificate of No Objection was made by Member Bedore and Member Black seconded the motion. With a vote of 4-0 the motion was passed.

The next item on the agenda was DHS lease #5607 at 8020 South St. Louis in Skokie. Director Carter stated that it's got personnel square feet per person of 203 and the lease starts year one at \$13.35. Chairman Stewart asked if there were any questions or comments. Member Bedore stated that you still have the full-time building and grounds laborer. Also it's for the implementation for the Affordable Care Act, he thought it was discussed in the past and there weren't any additional, he means the few that were throughout other departments. Chairman Stewart stated that the Board had the Secretary, the Assistant Secretary and they explained to the Board that this was a catch-all and there were some that were actually for the Affordable Care Act, but a lot of it was for Medicare/Medicaid, so that was a helpful explanation at the time but it was sort of lumped in again. Ms. Florence asked if it was in the narrative. Chairman Stewart stated that it is at the end under Programs, and given the sort of over-broad use of it last time he would just ask on a forward looking basis when DHS is coming in and saying that the purpose is for it, that they're not just lumping it in there because it is healthcare therefore it's the Affordable Care Act. Ms. Florence replied that it was her fault. Chairman Stewart stated that Secretary Saddler did a good job explaining that at 30,000 foot level, but on a

specific lease we still would like to make sure what that's for. Ms. Florence replied that she understood. Chairman Stewart stated that it would be helpful, he knows that CMS does not run that particular end of the State program, but with DHS just double check with them and that would be helpful. Member Bedore asked how long has DHS been in this building. Ms. Florence replied in Skokie, about 11 years. Member Bedore asked if CMS is saying that this office has really high volume. Ms. Florence replied that they are getting about a little less than 10,000 walk-ins per month. Member Black replied per month? Ms. Florence stated that their current case load is over 98,000. Member Bedore stated that this owner is going to steam clean the carpet and may paint some areas, he would think that they would be doing a lot more to this building. Ms. Florence replied that it is actually in pretty good shape. Member Bedore stated well sure, they have a full-time person there doing the work, he can understand that. Ms. Florence stated that she would also like to note that they took advantage of a 22% reduction in base rent a little over a year ago and the new lease presented to the Board includes another 4.65% reduction. Member Bedore stated that he doesn't have a problem with the rate at all.

Member Black stated that the Chairman just made a very rational statement and that is the Board doesn't know what the CMS person really does, his job description, his title, his salary because in your operating cost you have janitorial cost. Now does that go to the CMS person, or is that the lessor amortizing janitorial costs that he/she provides? Ms. Florence replied that at this particular location the State is responsible for janitorial and they do hire night time janitors. Member Black stated that then he thinks the Chairman's remarks were right on target, you have this, you hire them, so just exactly what does this CMS person do? He used to call people like that a page and they didn't pay them anything to go get him a sandwich or get him some paper, but he knows it is more complicated than that but from what he has he doesn't know what the person does. He doesn't know what he or she makes, has no idea exactly what the job description is and he imagines the janitorial company they all have territorial imperatives, don't come in here and clear our sinks, you don't know how to do it. He believes Chairman Stewart's remarks were right on target. Who is this person, what does he do, how do you keep him busy 8 hours a day? Ms. Florence replied she doesn't disagree and would be happy to provide that to the Board. A motion for a Certificate of No Objection was made by Member Bedore and was seconded by Member Black. With a vote of 4-0 the motion passed.

The next item on the agenda was DCFS lease #6276 at 15115 South Dixie Highway in Harvey. Director Carter stated that it's got personnel square feet per person of 247 and year one starts out at \$15.50. Chairman Stewart stated that if he is reading this correctly the square footage was reduced by 14,000 square feet. Ms. Florence replied five years ago, yes. Chairman Stewart stated that he was not here five years ago, but why was there less service needed in that area or any particular rationale or less demand perhaps. Ms. Florence replied that when this lease was originally procured the Cook County Courts were supposed to have shared the space with DCFS, so when the APR was developed it included their space. They moved forward and the plan was always for them to move in and that never happened, so CMS rebid it five years ago with significant space reduction. The incumbent was the only proposer at that time so they did the new lease with the reduced area. Member Bedore stated that for some of the members that have not been there for the history of this building, he believes that Mr. Blount, Member Morales, himself and Ms. Rossetto were here. This goes back many years, the action by this Board has saved the State of Illinois on this one lease over \$4 million. This building is owned by a gentleman from Chicago who under the past administration of the Blagojevich era this owner was part of the \$50,000 club of Mr. Blagojevich. We got into this lease, it was a lease supposedly worked with the State of Illinois, Cook County and the Public Aid of Cook Country. Well that all fell through, but then they decided to just migrate into the space, it was there, why not. Also there was a build out so the lease rent was \$20 per square foot and when amortization ran out CMS forgot to reduce it. CMS and with this owner being a member of the Blagojevich club, was going to pay \$20 some per square foot even though the 10 years was up on the amortization, but this Board caught it and from the actions from Member Morales and the other members of the Board they stopped it and he is glad to see the square footage came down and the price has come down and so we have the savings of over \$4 million, but in reality when you carry this whole lease out the savings is going to be a lot higher and it is 100% because of this Board and not CMS. You should be proud of yourself Member Morales, we did it and CMS and the past administration did not do it, so he has no problems with this lease today. Chairman Stewart stated that he just has one question, it looks like on the new lease the cost went down, how did they do that. Ms. Florence replied that actually the landlord came to them and offered a reduced rate. Member Bedore stated that he was afraid of this Board. Member

Bedore made a motion to accept this lease and was seconded by Member Morales. With a motion of 4-0 the motion was passed.

The next item on the agenda was CMS Facilities. Member Bedore stated that he wanted to talk about the Franklin Life Building. CMS says that the current headcount is 610 and your targeted headcount is 755. Ms. Florence replied affirmatively. Member Bedore stated that he didn't realize that the CPO Mr. Brown was here and so he realizes the Harvey lease also, he should take credit for that, he didn't see him hiding over there. Mr. Brown will also remember the Franklin Life Building. When they originally went through there they talked to the engineer and some of the people who were there before and they ascertained that the number employees were 1,305. Ms. Florence asked if that was under AIG, Franklin Life. Member Bedore replied yes. This building has so much area for storage by CMS' own numbers. When he gives these numbers he has excluded the facility building on 8th and 9th Street because he knows that is used for evidence and it would even make the numbers look worse and he didn't need to include that to make the numbers look worse, they are bad enough the way it is. We have 43% of this building is usable for office space, 57% of the square footage is for storage, mechanical rooms, stairwells and restrooms. 57% of this building doesn't that scream out to CMS, storage? Member Bedore stated that when they went through that building, yeah State Police has stuff piled up all over the place on empty desks, it's ridiculous. He keeps hearing administration after administration, oh we are getting these records, we're doing records, we're doing records. 57% of this building is restrooms, mechanical rooms, and storage, 43% of this building is only usable. Please how can that be? Somebody ought to go in that building and say, hey State Police, hey Gaming Board, nobody dare touch the Gaming Board there are sacred. Somebody has to go in there and he hopes that this administration starts saying 43% of this building is usable, that can't be. Now if Franklin Life, a private enterprise could have 1,305 employees, but heaven forbid State employees we have 610. Oh you know, State employees have to have much more space, they got to have more storage, and you know we have to pamper them because the Gaming Board is asking for more space. In the past CMS has come forward to the Board and said that their goal is 850 to 900 in this building and Mr. Kanellopoulos in the past has told them that number. Member Bedore stated that he was very satisfied with 900. He realizes 1,300, 900 State government, he realizes that, and it is a different operation with State Police, he gets that, but now CMS has taken the 900 down to 755. What happened? We lost 145 employees, space for them, the space that is being used by storage. He is sorry, these are their numbers, and he's not making this up. He went through these numbers very clearly and he excluded the facility building. These numbers would even be worse if he included that building. So you have 43% of this building is usable, to him that's ridiculous and to take the headcount from 900 and now your goal, your targeted headcount is now 755, we ought to get Mr. Kanellopoulos back, maybe he can find us another 145 employees and space for them. Ms. Florence replied that she does not know where Mr. Kanellopoulos had that number, there may have been different agencies targeted for that building at the time, different personnel, different headcount, she does not know. As for the storage there is a lot of basement storage and a lot of files and boxes in basements. CMS has reconfigured the building considerably to accommodate the agencies such as Gaming Board, those are primarily cubes that and are not wide open spacious offices, that is primarily cubed space. Ms. Florence stated that she has been through the building recently and Director Carter and Mr. Blount have been through the building fairly recently. Member Bedore commented more conference rooms. Ms. Florence replied no, actually part of the former cafeteria was built out into three shared conference rooms. Most of the agencies there do not have their own conference space. Member Bedore stated but they built three new ones. Ms. Florence replied that are shared by all of the occupants, yes. Member Bedore stated except State Police they have their own. Ms. Florence replied she believes they have one private conference room and they also use the shared conference space. Member Bedore stated that the former CEO of Franklin Life, his office also had a conference room too. All he can say is that he doesn't know how a few years ago the target was 900 employees and now the target is down to 755. Ms. Florence replied she does not know she wasn't sitting here three years ago. Chairman Stewart stated that he would be interested in, because the headcount is headcount, but looking at what Member Bedore worked on here. The north building and the 7th Street building seem to be where the bulk of the storage space is excluding the facilities building. The Annex building and the south building look to have tiny fractions. Next meeting, usable storage and it might be helpful to get it for those two buildings, the north building and the 7th Street building. What's the usable storage used for? It might be helpful, the storage space represents about 50% approximately usable space. Ms. Florence stated that in the 7th Street building all of the storage is basement and sub-basement. North is the same - basement and sub-basement, which is not and never was built out as occupiable office space. Member Bedore asked where did Franklin Life have 1,300 employees? Ms. Florence replied she did

not know. Chairman Stewart stated that also if they could just give the Board an idea of what is in the storage and what its purpose is. Is it available, is it used, what's the purpose and things of that nature. Ms. Florence replied that the 7th Street basements are basically, well she knows one level is at least chock full of files. Chairman Stewart asked what's the DOC storage, is it only on personnel just keeping records there? Ms. Florence replied that it's largely the files that are in the basement. It is all DOC prison records.

Member Bedore asked if he could go through some of the leases that were sent over to the Board in the last week or so. For example lease #3147 in Morton, which is Peoria basically across the river. CMS is paying \$16.41 a square foot? Do they have gilded ceilings or something, it went up from \$15.60 to \$16.41? Ms. Florence replied that the lessor very much wanted to take the tax escalation base rate static at 06 payable 07. He felt like he was going to lose something in bringing the base year forward. CMS agreed, if the Board looks at the current lease rates on the left hand side on rate comparison the base rent was \$15.63 and the tax escalation they paid in FY13 was \$0.78. CMS added that \$0.78, to the \$15.63 to arrive at \$16.41 and brought the base year current and the lessor agreed to keep that rate flat for 5 years. Member Bedore stated that CMS is basically paying for any excess in his taxes, you built it into the rate. Ms. Florence replied for the 1st year, yes. Member Bedore stated that 1st year it runs from year 1 to year 5. Ms. Florence replied but that rate remains flat. Member Bedore stated, well thank you, \$16.41 in Morton the pumpkin capital of the world. Also he finds it difficult that CMS is paying the \$16.41 and yet he also has a protection for his insurance escalator. He is sorry he would like to see a policy where CMS doesn't pay for insurance escalators. Why are we paying rent? Why are do we pay rent to somebody at \$16.41 in the little po-dunk town of Morton, Illinois and then we also have to pay his insurance escalator in addition to the \$16.41. He thinks it is a policy of this Board that we don't ever include insurance escalation. What is the responsibility of an owner? Everything then falls to the State. Oh, the insurance goes up, you guys have to pay for it. If my taxes go up, you have to pay for it. What an attitude we have. We just have so much money, you poor Mr. Landlord you're only getting \$16.41 for the space in po-dunk Morton. Member Bedore stated that he doesn't follow it, he honestly doesn't. He would like to put in an objection to this lease, whatever the rules are on this. He just can't see it, he can't see the rate and he can't see paying everything. It says here that we are paying for everything, garbage, security alarms. What's this gentleman or woman, what do they do besides hold title and collect the State checks? We do everything for them and oh gosh if anything ever goes up, you have to pay for it, the taxpayers. He is opposed to this. Member Black stated that he has relatives who live in Morton and no disrespect to the good people that live in Morton. Member Bedore stated that it is the pumpkin capital. Member Black replied that it is, but it had a bad crop last year. Member Bedore stated that CMS can pay \$16.41 in Chicago. Chairman Stewart stated that this one we have until the end of the month, so if the Board objects then it is into holdover. In terms of the larger issue the insurance escalation, this sort of thing on a forward looking basis we can have a broader discussion, we are talking about it here on this specific, but presumably this is...Member Bedore interjected that we are discussing it because it's \$16.41 a square foot. Chairman Stewart replied right, but it sounds like the insurance escalation issue in and of itself is something the Board would like to talk about further and without it being attached to a specific lease. The Board does have this specific lease in front of them. Chairman Stewart asked if anyone wanted to make a motion to object. Member Bedore made a motion to reject this lease and was seconded by Member Black. Director Carter conducted the roll call with Member Morales, Member Bedore and Member Black voting yes and Chairman Stewart voting a reluctant yes, but he thinks this is something that the Board needs to discuss again on a future basis when they are not looking at a specific lease to figure out what is the rationale and policy about why we do it. Sure there will be a good argument there but it would be helpful on a forward looking basis for the next meeting or the meeting thereafter. Director Carter asked if this was lab space and outfitted with forensic laboratory equipment. Ms. Florence replied affirmative. Director Carter asked if the last time or this time it went out is there anything like it anywhere close. Ms. Florence replied no. Member Bedore asked if they had to be in Morton. Ms. Florence replied that it would be a question for State Police. It's a regional lab that serves a 20 county region in central Illinois. Member Bedore stated that his main objection really is that we are paying that rate and then to have an insurance escalator, that just makes no sense to him. Director Carter asked if there was anything feasible with this lease if you ask the landlord. Ms. Florence replied that they can certainly try, he is not an easy person, but would certainly give it a shot. Chairman Stewart stated that he thinks the Board is going to stick with what they have done and then they can come back and can take another whack at it on the presumption that the Board is meeting again in early August. Chairman Stewart stated that it has been suggested that it might be wise to rescind the motion and put it out there and give CMS a chance to go back to the lessor to see if they can get a better arrangement and then do a special meeting and sink or swim at that

point in time. Member Bedore asked why a special meeting. Director Carter replied that the lease is up at the end of the month. Member Bedore stated yeah, so a lot of leases are up. Are they going to throw somebody out in two weeks? Member Bedore stated that all he is saying is that practically it is going to be difficult to get this Board in the end of July to all get together in a State facility. Member Black asked if it was the Illinois State Police in the Morton building. Ms. Florence replied affirmatively. Member Black stated that he would have to drive home this afternoon and wanted the record to reflect that he has great affection for the Illinois State Police and certainly does not want them thrown out. Ms. Florence replied absolutely. Member Black stated that they have cars and they can maneuver, mobile. Chairman Stewart stated that he thinks they have a plan here and can talk after the meeting.

Member Bedore stated that he has another one for DHS, lease #5113 on 63rd Street which has the rate of \$19.77 and it has 314 square feet and overall is 426 square feet and personnel space is 314. How can this committee approve a lease of 314 square feet per employee when the target is 250 or less and CMS comes here with a lease just because this agency wants it? DHS notoriously always has the most space and he granted there are rooms for conferences and meeting rooms. That's all excluded, we did that, it's 426 square feet per employee. You take that all out you are still at 314. Ms. Florence replied that they do have area per person here, this is another of their very high traffic areas and also averages in the mid to upper 400's a day in clientele. This one happens to be in a very high crime area, it's a high client area and they have been there for a little over 20 years. Member Bedore stated that he understands that, he understands 63rd Street in Chicago, he understands 900 E 63rd Street, a very dangerous area but that doesn't mean that they should have more space per employee. It was just stated that this is a high volume area and you told the Board the Skokie one was a high volume area, but their square foot per employee was 200 and something, this is 314. You can't use that excuse that it is a high volume area, there were just two other leases that are high volume areas that don't have 314 square foot per employee. Ms. Florence replied that one doesn't necessarily relate to the other, her point was that this is a facility that DHS very much wants to stay in. They have been established here and it's well known in the community. They have lost some staff due to attrition over the years and this is not a location where they are adding staff at this time. Member Bedore stated that he is not saying they should move, all he is saying is just because the building is there, why does DHS have to rent it all, just because DHS has done that since 1993 or something because they have done it in the past. That seems to be the answer for State government and all governments. Well we've been there and we can't cut down our space. Ms. Florence replied that a lot of these buildings are not configured in a way that will allow them to cut out and just stop paying for 500-700 square feet. Chairman Stewart asked if this was another facility where people in the community go to get various services. Ms. Florence replied affirmatively. Chairman Stewart stated that he thinks that's an important point to make is that they are serving the community and the community is familiar with the location and that's where they are accustomed to going and that is not a complete justification, but he thinks it is a relevant decision for an agency to have when it's looking at retaining a lease, particularly those in the human services field or serving distressed communities. Member Bedore stated that he is not questioning whether they should be in that building. He is questioning whether they have to be in that building just because the agency tells CMS that they are very comfortable here and this is what they want. The building is here let's not occupy it all. That was the argument with the place in Harvey. Member Morales stated that he is not disagreeing with either side, he understands the areas, he grew up in those areas and knows that need for those types of facilities. If they are going to stay in there and the agency is going to dictate to CMS that that's what they want, then CMS needs to do a better job at negotiating the rates. Ms. Florence replied that CMS exercised an existing option to renew and they did do an amendment about a month ago to reduce the previously negotiated renewal rates, so they did get a reduction here. Member Morales asked if she is saying that they are stuck. Ms. Florence replied no, she is not saying that at all. Member Morales asked then what's the out? Ms. Florence replied the out is they RFI. Member Bedore asked if the out is to reconfigure the building. Ms. Florence replied that their target for personal space is 275 at 315...Member Bedore interjected saying, whoa, 275? What happened to 250? Ms. Florence replied that it has been 275 for quite some time. Member Bedore asked if CPO Brown was still here. Member Bedore asked what was the figure that the Board was always shooting at? CPO Brown replied that his recollection is 250. Member Bedore stated that is what he always thought it was, with Mr. Kanellopoulos gone all of the numbers now are subject to change. Ms. Florence replied that it is her error and apologizes. Member Bedore stated 250, 275 this is 314. He doesn't know honestly, use your number 275 how can you then come to the Board with 315? Chairman Stewart stated that to the point he thinks it would be, the space stayed the same and the headcount changed in this facility, or do you know was it always 314 or is that because of reduced headcount?

Ms. Florence replied that she didn't know she would have to look. Chairman Stewart asked if this was one of those facilities, again sometimes it would be helpful to have the agencies here that are able to answer some of these questions, but three meetings ago the Board had the Secretary come in and talk about all of the new headcount coming up, is this one of those facilities with a new headcount being targeted. Member Bedore stated that they probably have the Affordable Care Act people coming in there. Ms. Florence replied that she doesn't believe they are hiring here, not that she is aware of anyway. Chairman Stewart stated again on a forward looking basis it would be helpful to get a clear answer as to what is the CMS' targeted square foot per employee and what goes into that, obviously that's a target and you're not going to hit it dead on. It would be helpful to know what it is again without going totally into the lease and what goes into the determination, is it revisited in a periodic fashion or is it just set in stone and continues on. Is there or should there be, if you are coming into a certain range above 275 or whatever the target is the number itself is irrelevant, is there a process at CMS or the agencies where it gets further review? Not saying that automatically knocks it out, to touch on Member Bedore's question of whether it is 250 or 275 or 300 it doesn't really matter what the number is, whatever the number is someone is coming in higher, when you are beyond a range where maybe there needs to be a second look taken, not that it would be an automatic disqualifier. That would be helpful to know if there is such a process or CMS would be inclined, like talking about the P-card having too many transactions and some sort of, if it is above this here's our target, if it's above this range it just gets extra scrutiny not necessarily goes into the we are not doing it path. That might be helpful for the Board to understand it a little bit better. Chairman Stewart asked if there was anything further on this. Member Bedore stated that the Board is not resolving anything here today, to him it's a total waste of time. He is going through a whole bunch of leases that have come through in the last week, square footage 247, square footage per employee 162, 210 and yet the Board gets this one here at 214, and this one is 214, oh and this one is 314, in the same packet that was sent to the Board. CMS has one for 214, 210, 260 and here....why is he talking, it's going nowhere. Chairman Stewart stated that he thinks what would be helpful is if they could find specific examples. What he would like to know perhaps is in the overall inventory how many do they have that are above the target or level well beyond the target. Member Bedore stated that those leases the Board can't do anything about, this one they can. Chairman Stewart stated that he understands that, but so they don't run into it again in the future. Yes we are looking at the past. Member Bedore stated well Chairman Stewart it seems that you don't want to do anything today. Chairman Stewart stated that it was his opinion and he is entitled to it. He asked if anybody wanted to do anything on this lease. Do you want to do something Member Bedore? Member Bedore replied yes, reject it. Chairman Stewart stated that he will take that as a motion with Member Black seconding the motion. With Chairman Stewart voting no, the motion to reject the lease passed on a vote of 3-1.

Member Bedore stated that back on to the follow-up of the Board's earlier comments, he wants to talk about the building on South Grand, which they asked questions on. This building is on South Grand, that's the Bloom Building? Ms. Florence replied affirmatively. Member Bedore asked if they have been in that building 27 years. Ms. Florence replied roughly yes. Member Bedore asked if the owner is Mark Feldman of the capitol city, oh the wrong capitol city Sacramento, California. Ms. Florence replied Mark Freedman, yes. Member Bedore stated from Sacramento. Did you know that the State of Illinois has paid \$81 million worth of rent to this owner in California? Ms. Florence replied that she did not. Member Bedore stated that this building is right across the street from the Harris Buildings and we are paying \$17.43 per square foot, at the State occupied building across the street which we are paying \$12.21 a square foot. The difference of over \$5.22 a square foot, which would be a savings of over \$4 million in the 5 year lease and \$8 million for a 10 year lease. He knows HFS likes the facility and it's really convenient. It's outside of the downtown area, nice parking, great building, but why are they paying and he knows that they are in a three month holdover emergency and they are negotiating. All he can say is if CMS can't get this rate down then you should be looking at an RFP that includes the downtown area of Springfield where there is a lot of vacant buildings. This man in California thinks he has a gun to our head, well it is obvious, he is charging \$17.43 when you can go across the street and get it for \$12.00 a square foot. Also, again in 2009, the last time this lease went through, you had 703 employees in the building and today there is 533, but they didn't change the square footage. There is a reduction of 24% in personnel and CMS didn't drop one square foot. They now have the square footage of 294 square feet per employee, 294. Across the street at the Harris building State employees have 220. It goes back to the Chairman here's an example, the Harris building has 220 square feet and here at the Bloom Building it's 294 and the 220 square feet they pay \$12 and something a square foot and for the 294 they pay \$17.43 a square foot. He just hopes that when CMS comes back with a negotiated lease for this

building or some other building it's a lot less than 294 square feet per employee and a lot less than \$17.43, because he is saying right now if it is not down in that lower area well then, well never mind but he just thinks this lease that they are negotiating, he is just forewarning them this cannot go on the way this lease is on two counts, square footage and rate. Chairman Stewart stated and again in the future what's a procuring agency do when an agency, which is no secret headcounts are down across State government and is unlikely to be changed significantly anytime soon, what is a process in which they re-evaluate, and it might happen in a way you can't obviously anticipate exactly, economic downturns and other things, but headcount has headed a certain direction, down over the last 10 or 15 years fairly consistently. The earlier discussion that they had with the University is what's the plan, is there a process by which they sit there and at a holistic level re-evaluate so when new leases are coming up or you're looking to renew or get a new lease, how much of it is the facilities side of the operation, and talking to the operation side he understands you can't predict the future perfectly, but it's unlikely there will be a boom in State hiring anytime soon. It is probably only going to go flat is about as optimistic as you can get. Chairman Stewart stated that he shares Member Bedore's concerns about this lease, but they are representative of larger issues and not just this specific lease and obviously we can't predict the future perfectly, but is there some process in which they're evaluating that predicament on the headcount front. He would like to hear about that in the future, again specific leases and examples what's the process or is it, wait until the end of the lease and then you look at it, he doesn't know what the process is, for the Board to understand that to address the concerns, both specifically and generally raised by Member Bedore and others.

Member Black stated that he attended the dedication of the Bloom Building 27 years ago with Governor Thompson and he knew Senator Bloom, until he got some material today he assumed and thinks lot of people who were there assumed as well, that that was a State of Illinois building that the State had built it. Now that he has seen what we have paid in rent, \$81 million, we would have been better off if we had built it, again that goes back and we can't do anything about that, but that is a high price to pay for what obviously is a good building. There is a railroad track right by it and when he was here he had a lot of people complain about the noise of the railroad train, but he thinks that Member Bedore brings up some good points, that is a very good lease for the gentleman in California, but he is not sure really if it's the best lease that we can get for the taxpayers of Illinois. The gentleman in California might tell us to take a hike, but for that kind of money maybe it's worth taking a 6 or 7 block hike. Member Bedore stated that if CMS does an RFI or whatever, CMS has to be out front, you have to do it, not HFS, because they will put up every road block they can up against you because they don't want to move. It is very convenient for them and they love all of the extra space, so you, CMS, has to consider the taxpayers and not HFS when you are doing this. No further questions or comments were made.

The next item on the agenda was the Rules Review for General Services. In attendance was Matt Brown, Chief Procurement Officer for General Services. Director Carter stated that this item was held over from last month at the request of Member Ivory. Member Ivory was due to be here today until this morning. He did have the opportunity to speak with him several times and he never expressed any specific point or concern to him, only that he was still planning to ask questions and maybe reach out to CPO Brown directly, but he doesn't have anything to offer in the way of comments, questions or concerns from Member Ivory.

CPO Brown stated that he would be glad to give the Board a brief update about where they are in the rule making process for the General Services Rules. The 1st notice period, which is the public notice period for folks to take a heed of their intentions and provide comments has now passed. They have received comments from several State agencies and stakeholders in the procurement process. They are going to be forwarding those comments to the Joint Committee and moving to the 2nd notice process very soon, which would allow them to be agendaed on JCAR's docket. It is their hope to be able to be reconciled in a very quick basis any outstanding concerns, which he believes there are few. Primarily he would say that some of the comments relate to, for the first time realizing that they have added some statutory language, which helps fill in the holes in the rules and keeps them from referencing back and forth. Some of the rule changes that they made simply codify existing practice and now for the first time since they are being seen on paper, people are trying to get perspective to that and make sure they are institutionalizing those appropriately and he much appreciates that comment as well, but he really believes that there will be little substantive or challenge as they conclude the work with JCAR.

Chairman Stewart thanked CPO Brown for the update. Member Bedore stated that it says here provides for exemption for certain contracts entered into by the Illinois Finance Authority. What exceptions? CPO Brown replied that last year the Illinois Finance Authority was granted legislative authority and was signed into law by the Governor, allowing certain financial products that they are involved in procuring to be exempt from the trigger of the Code's competitive processes, but the transparency elements of the Procurement Code remain. So while the Finance Authority has the freedom to work within financial markets, so they can get a better deal on their money that they are moving, they still have to go into the Procurement Bulletin to make the announcement that they are taking this action and provide the information about who they issued a contract to within the financial markets for whatever product they are involved in. So transparency remains, but the competitive trigger of the Code was relieved by this law.

Member Black stated that all the way over this morning the news was that there had been some contributions made by the Republican candidate for Governor when he owned a certain company that got some kind of State contract. Now this obviously didn't come out at the time, that is the kind of transparency you are talking about, if they are going to buy \$100 million in bonds or participatory derivatives or whatever, and the company is owned by your lovely and talented assistant, we need to know that and the taxpayers would want to know that in advance and not 18 months later. CPO Brown replied absolutely. Member Black stated that he means at the time not 18 months later. CPO Brown replied that it does need to be timely, so for the benefit of the work that the Finance Authority is involved with in this particular exemption he is remiss by saying that the ethical provisions of our law, which aren't exclusive to the Procurement Code we have other ethical provisions and none of those were relieved along the way and in general their processes are such that the transparency involved in the procurement process notices up the intended awardees so that this due diligence can occur and within the ordinary procurement process they actually seek out those financial relationships even before an award is made public, so they have on occasion found disqualification of firms and removed them from the bidding process because they have a financial impropriety or they have found in the bidding process that pay-to-play has triggered, a contribution was made and then they have gone down that path to pursue what type of financial contribution they may have made to a campaign and what level of response it triggers. As you all know the State of Illinois operates with a three strikes you're out clause no matter what the donation. If they bought three \$25 tickets to buy a plate lunch somewhere, those three strikes are enough to prohibit them from access to State contracts. They do take that very seriously and he doesn't believe that there is any opportunity to work around that transparency. Member Black stated that it would be their desire even though IFA wouldn't come before this Board that the amounts of money that they usually deal in, you would know at the time if that financial firm had given \$500 thousand to people on both sides of the aisle and then perhaps should not get that contract. CPO Brown replied that to be very clear, one of the conditions when you are seeing things that aren't directly and squarely in the Procurement Code is that different authorities have different responsibilities in dealing with this financial issue, so those things that are directly in the Code, the CPO's are the responsible party for taking whatever actions are necessary. Those things that move on an alternative path either require the agency, if you will, first hand, certain responsibilities, the State Board of Elections obviously has responsibilities of recording the information and so there is a culmination of each of these authorities to get that end result, but whether it's a grant or something under this new IFA law or procurement there are mechanisms in place to capture the propriety of what is going on with that business against pay-to-play. Member Black stated that is what Senator Schoenberg hoped what would happen when he got into all of this years ago and he thinks that it is extremely important to the taxpayers that we get out of this perception, if you want to be in the bond business or the underwriting business or whatever, you don't have to give a million or two or three to either party in order to do business and he thinks that is where this Board and where you play a major role. They would know that prior to and not a year and a half or two years later and it is good to see you smile every once in a while. No wonder people in Springfield think you're mean, he hardly ever sees him smile. CPO Brown replied that he now knows he needs to bring his A game and his smile to see the Procurement Policy Board. Chairman Stewart stated that Member Morales might have a time constraint so is there a motion for a no objection. Member Bedore made a motion for a no objection to the rules and was seconded by Member Black. With a 4-0 vote the motion for no objection was approved.

Next item on the agenda was Legislation. Director Carter stated that Member Black had a request for follow-up on some legislation, which was the dollar amount affected by the passage of the Higher Ed components in the Procurement Bill. The first page of the follow-up shows the last three fiscal years and the dollar amounts associated with that exemption moving forward so that information is in their packet.

Member Black stated that he appreciates that and he apologizes that the battery on his hearing aid is obviously running down, but wow that is not an insignificant amount of money, that may warrant further study. He had no idea it would be that kind of money. Chairman Stewart stated that to that point, he means talking about planning and internal controls particularly medical, dental and veterinarian can get very expensive and very technical very quick, as we continue conversations with the University of Illinois System and Mr. Bass the Board might want to figure out if 6 months from now what they want to see, is there internal control, he doesn't think they need to come up with an answer right now and he is not really good with math, but it seems to be about \$300 million over the last three fiscal years. The Board should work with Director Carter and maybe try to figure out what they want to hear from the University on this on a forward looking basis. Member Black stated that he would get in touch with Director Carter next week and see where they might be able to go from here with a minimum disruption to Mr. Bass. Chairman Stewart asked if there were any other questions on this follow-up.

Member Bedore stated that it was well to note that the State Police patrol vehicles represent only 48% of the total fleet. There are 1,076 patrol and overall is 2,200 and so the difference is 1,145 and that represents 48% of the vehicles are patrol and then that leaves 52% of their fleet is not patrol, that is a large number. Chairman Stewart stated that of the non-patrol, which ones are special use and which ones are not? Director Carter stated that Lieutenant Walter didn't go into detail, but she did mention that there were cadet buses and probably not a tank, but something like a tank for the SWAT team and stuff like that that are specialized. Member Bedore stated that even if the percent changes it still would be roughly 50-50. Chairman Stewart stated that maybe it would be good to know what the total miles because that will tell them how much it is getting used. Member Bedore stated that it will also tell you how much is maybe for administrative people. Chairman Stewart asked if he could find out if there is some type of total mileage for patrol vehicles versus total miles of all others. It would be interesting to know. Director Carter stated that he would be happy to work on that. Member Bedore stated that he was glad to see that they were getting two new hires and two technicians so that's four new people and that ISP recently received approval to hire 5 more. Who do they have to get approval from? Member Bedore stated that ISP recently received the approval to hire 5 more additional. Chairman Stewart stated that his guess, being in an agency, it could be several things, it could mean approved to post from CMS, but ISP is a non-code agency so he is not exactly sure how it works there, but somewhere along the line somebody from OMB had to click off on it for approval. Member Bedore replied because they need people there is no question about it. Chairman Stewart stated that he doesn't know this for a fact, but he assumes it means that OMB has authorized them to spend the money to do the hire, but ISP is a non-code agency so he is not exactly sure how the process works there. That is how he reads it. Member Bedore stated that as the Board heard at the last meeting there is such a backlog of getting these cars out with their lightbars and radios that he would have thought they would have had the approval to hire as many as they can and already have that. Chairman Stewart stated that it is every agency's wish, but it is not true. To hire everyone you need, our friends at OMB don't quite take the same view.

With no further business to discuss a motion to adjourn was made by Member Black and was seconded by Member Bedore. The motion was unanimously approved.