



Chairman: Jay Stewart

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

Minutes – November 13, 2014 Meeting

Present in Chicago: Jay Stewart
Rick Morales
Larry Ivory

Present in Springfield: Ed Bedore

Absent: Bill Black

The Board started the meeting by confirming attendance at 10:45 a.m.

The first item on the agenda was the approval of the Board meeting minutes from October 23, 2014. Member Morales made a motion to approve the minutes as presented, with Member Bedore seconding the motion. The motion was unanimously approved.

The next item on the agenda was the Auditor General Compliance Examination. Director Carter stated that in the Board's packet is the summary page from the Auditor General for the PPB's recent compliance period that ended June 30, 2014. We worked with the auditors and for the second consecutive audit we didn't have any findings or repeated findings and nothing to report, so the Board is in compliance. Chairman Stewart stated that he is just speaking for himself, he thinks that's very good work by the Board and staff in particular. All agencies have to undergo the audit process and it's pretty exacting. If you go to the Auditor General's website it's very, very rare to see no findings on an audit. He stated that it is not impossible, but it's very, very rare. If anyone knows Auditor General Holland, you know that they are pretty thorough and they don't mess around, so he thinks it speaks well of the Board and the staff that this is the second consecutive audit with no findings, which again is something that he thinks the staff deserves congratulations for. Member Morales replied absolutely.

The next item on the agenda was the General Revisions to the Board Rules. Director Carter stated that the staff has worked on an overhaul of the Board's rules and he doesn't foresee any sort of concerns or complaints with this, the large part of the paper itself is an update of the FOIA rules to be more up to date with what's out there in the FOIA Act, OMA changes and stuff like that. We plan on trying to file in early December with JCAR, but would be happy to send out copies ahead of time and deal with any concerns, although he doesn't foresee any and just wants to make sure everything is buttoned up and ready to go before we submit. Chairman Stewart asked if there were any questions or comments at this time.

Member Bedore stated that he is not sure what page it is on, but it's at line 260. Chairman Stewart replied that he sees it for emergency meeting. Member Bedore replied yes that it may be called by the chair or at the request of two members and their location shall be in Springfield or Chicago. What if we were having an emergency meeting in southern Illinois, or at SIU or someplace else? Why does it state Chicago and Springfield, and it doesn't say may, it says shall. Director Carter stated that he thinks they can adjust that, he thinks that the original thought was to ensure that we had the availability of video conferencing, but we'll open that up and change the rigidness of that structure for you. Member Bedore stated that a few years ago the Board had an emergency meeting and some of the Board was in Champaign on Board business, so the majority of the Board was in Champaign, so under this rule that would have been illegal. Chairman Stewart stated that they can say or other locations as determined by two members or the chair to allow for the

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flexibility if it's not going to be in one of those two locations, he agrees you're not limited as long as it's open to the public and Board members can participate, the specific location doesn't need to be restricted in the rules. Member Bedore stated that it is under emergency meeting so there could be an emergency meeting down in Carbondale. Chairman Stewart replied yes or in the Quad-Cities or anywhere, good catch. Director Carter stated that he would make the change. Member Bedore stated that we are always having a problem, he supposes it is required by law about having to be on State property. Member Morales replied that he believes it has something to do with being an authorized building with public access, but it does have to be State property and he thinks it was required by law before and he bets that it still is. Chairman Stewart stated that under State law it has to be open and available to the public and he knows that some other bodies, local units of government have gotten a little sideways with the Attorney General when they try to have a Board meeting at an individual's private residence. He thinks that if it is open to the public it probably qualifies and agencies get into trouble if it is on purely private property, then they run into could anyone really show up. So he thinks as a practical matter agencies try to do it on government property, but theoretically if you had a cast of thousands that wanted to come to a PPB meeting and if we rented out some space for a giant meeting you could do that but he thinks that the issue is that private property sometimes inadvertently gets public bodies in trouble because people are excluded and that is when you run into it. It's safest to have it on public property, he doesn't think the rules specifically address it or the Act that the case law that he has seen out there. Member Bedore stated that he has nothing more. Chairman Stewart stated that the Board can continue to give Director Carter feedback. He thinks that a lot of it is general housekeeping to reflect recent changes in the Freedom of Information Act and the Open Meetings Act and just keeping the Board up-to-date so we are fully compliant with the laws. Member Bedore asked if this needs a motion. Chairman Stewart asked if these were going to be presented again before submitting them to JCAR. Director Carter stated that as a matter of practice he will receive some informal comments if he has that ability and then in December he will make the changes that Member Bedore wanted and bring it back. Chairman Stewart stated that Director Carter can provide the Board with updates and make the changes and have the meeting in early December, which will give him plenty of time to get it to JCAR and then assuming that everyone is comfortable with that language the Board can make a motion to approve it and then Director Carter can move forward. We can do it now, but he figures they could wait until they get the final language. Chairman Stewart wanted the record to reflect that Member Ivory has joined and is present.

The next item on the agenda was follow-up items from the previous meeting. Director Carter stated that the first item for follow-up is he spent a great deal of time trying to find something at Member Bedore's and at the Board's request on what does it cost the University of Illinois to educate a student. Unfortunately the best that he could come up with is that the U of I doesn't have those numbers readily available. He made the request and tried to do some research on his own. As a comparison he did find something for the University of Minnesota, he knows it is another big 10 school, probably very different end of the spectrum when it comes to cost, but even in their rationalization it is still an extremely broad and moving target because of the different programs, the different years of students. Unfortunately, he could not find anything steadfast for you. Member Bedore replied that was fine. Chairman Stewart asked if there were any further questions or comments on this particular matter. No further questions or comments were made.

Director Carter stated that the next two follow-up items are a lead-in to facilities. He knows that Ms. Susan Florence doesn't usually handle these items, but she is available if there are any follow-up questions. He did receive something that is kind of a starting point when it comes to talking about State-owned buildings as well as State-leased buildings as a way of policies. He sees a lot of the stuff that Donald Barnes sent him really speaks to energy consumption, light bulbs, thermostat settings and things of that nature so there are a couple of documents in there at Board request, but again it leads into the facilities discussion.

Chairman Stewart stated that just looking at the materials that the Board has it is pretty clear they have a program and a standard for State-owned facilities and an Executive Order from 2009. It looks like in the materials there is somewhat of a policy for State-leased facilities if they occupy a certain percentage of the space. Do they have a set policy on leased space as opposed to State-owned space? Susan Florence, Lease Administrator with the CMS Bureau of Property Management, replied that honestly she couldn't answer that. She can tell the Board that their lease documents do specify temperature settings for leased facilities. They do have policies in place to regulate the use of personal space heaters and fans and that kind of thing. The energy management is not her area, but she would be happy to provide additional information. Chairman Stewart

stated that there does seem to be some materials in the Board's packet, which looks like it is language from a lease with various energy efficiency standards. Director Carter stated that Donald Barnes who handles this said that he would be happy to provide a larger scale presentation, which he has done before and in the interest of time sometimes Mr. Barnes has a lot of information, if this didn't cover it maybe next time they can get Mr. Barnes his own separate agenda item and he can come in and cover it. Chairman Stewart stated that it could be handled as more of a bullet point, is this standard on every single lease, is it only for leases of a certain size, does it apply when you rent one square foot, does it only apply for renting 50% of a building? He thinks that the materials are very detailed that were provided, but what is not clear to him is, is this a one-off or whatever property this dealt with or is there a matrix of some sort where if we are only leasing 3% of the property perhaps this language is not in there, that is the sort of thing he would be curious to know. Ms. Florence asked if it was the language regarding temperature regulation. Chairman Stewart replied that there was one here on Energy Star, energy efficiency see requirements and then there is heating and cooling and sustainability building standard lighting requirements. Member Bedore stated that at one time it was presented to the Board a year or two ago and he vaguely remembers the number being close to 90% occupancy of the building. Ms. Florence stated that she can say that if CMS is going out for solicitation for new space they have all sorts of standards for energy efficiency and sustainability language in their APR documents that would apply to any new build-outs, with existing facilities it is a bit more murky depending on the condition of the facility and what they can get done in negotiations as far as upgrading lighting and things of that nature, but they do strive to be as energy efficient as they can. Member Bedore stated that in particular they have done that with the Bloom Building. Ms. Florence replied absolutely. Member Bedore stated that is a perfect example and that is why he brought it up, because there are many buildings here in Springfield that are occupied by over 90% of State agencies and they should be set to the same standards as the Bloom Building. They have an Executive Order that has been in place since 2009 for high efficiency lighting, he understands the heating and air conditioning, but it is down to even the details, lighting, which they are doing at the Bloom Building and what he is recommending is that it should be done with all of the other buildings as their leases become due and they have been a little lax in that. Member Bedore stated that if you read the Executive Order, it is critical to use energy in the most efficient way possible to save taxpayers money and to protect our climate and natural resources. The Department of CMS shall be responsible for implementing a program to increase energy efficiency, track and reduce energy uses and improve the procurement of energy for all State-owned and State-leased facilities for all agencies. So clearly CMS is responsible for the most efficient way of lighting, heating and air conditioning in these buildings whether we own them or they have 90% of the occupancy of a building. There are many buildings and he will talk about one of those buildings later that he believes should be set to the same standards as the Bloom Building. CMS stated two months ago that the Bloom Building is going to save millions of dollars by this new energy efficient lighting over the life of the lease. He didn't say it was going to be immediate, but over the life of the lease they will save a lot of money. Ms. Florence stated that clearly there is a benefit to upgrading to more efficient lighting and they do try to do that in as many facilities as they can, it is sometimes a trade off, that can be very costly in a large facility when they are asking the landlords to pay for that out of pocket and sometimes that comes at the cost of fewer rent decreases. Member Bedore stated that at the Bloom Building they had a reduction down to \$12.50 from \$17.00 and the owner is paying for all of the new high efficiency lighting and that is all he is doing is setting this same type of standard for other buildings and that is what he brought up a couple months ago that some people were upset about. That is his point, that they have set a standard now of getting the lower rate and better efficient lighting. CMS occupies that building with 100%, other buildings they occupy at 97% or 100%, why aren't we doing the same-that is his argument. Ms. Florence replied that she understands.

Member Morales asked if CMS is keeping track of energy audits? Ms. Florence replied that would be a question again for Mr. Barnes. Director Carter stated that Mr. Barnes has all that data again, it is just very, very substantial, so he will ask for some detail ahead of time to give the members plenty of time to read it over and he can condense it when he presents it. Member Ivory stated that when we talk about affordable and reliable energy efficiency it is hard to evaluate how well we have done whether we have an A, B, C or D. He wishes there was some standard that we could evaluate how productive we are being in reference to reducing energy consumption. He speaks to this on a different piece because he remembers a number of years ago he was at a national convention and there was a group that had a liquid or something that if you put into the system and you had states that were using it and had increased energy efficiency by 20% and the savings were quite spectacular. He took the initiative to introduce the parties to parties here and has since been to another

conference and other State agencies were talking about how effective they were again in saving energy, but it seems to never move anywhere. He has asked Ms. Florence where that was at, but he has gotten no response back in terms of that request. Do you recall that question in reference to that subject matter? Ms. Florence replied that she does and did follow-up on that, but apologizes she thought that information had been passed on to him, she will try and track that back down. Member Ivory stated that he is just curious to know if it has any real intrinsic value. If it doesn't then that is great, but he would appreciate saying here is why it is not working for us and why it is working for other people, and if it is a significant savings for the State and the taxpayers he would think they would want to pursue that aggressively and at least try and make sure that we understand the pros and cons and why it may have value and why it may not have value. Ms. Florence stated that she will try and track that back down and have someone reach out to him on that. Chairman Stewart stated that it may also be helpful for not every single energy audit, but for whatever audits that have occurred and a couple examples of what was the outcome of the audit. If you do an energy audit and nothing changes it is helpful to have that as a baseline. Member Morales stated that maybe one audit a year or how many buildings...he is sure they keep track of that kind of information and it is a lot of information, but it would be helpful. Chairman Stewart stated that a couple of specific examples, if there was an audit found with some specific savings that were fully or partially realized this is a flavor of how it does play out in the real world and what savings does the State realize, obviously an all in number of savings which may be beyond what we can capture, but at least some specific examples would be handy. Chairman Stewart asked on the general issue of energy used by the State were there any other questions or comments? No further questions or comments were made.

The next item on the agenda is the CMS Lease Review. Director Carter stated that the first lease up was DHS lease #5515 at 823 E. Monroe in Springfield. Base rent starting out at \$12.00 a square foot and personal space is 272. Ms. Florence is available if there are any questions from the Board. Member Bedore stated that he just wanted a confirmation of what's on the paper before the Board, is that true that the rate has come down to \$12.00 a square foot and that includes janitorial, gas, electric, water, and garbage, it includes everything expect for \$.06 for the alarms? Ms. Florence replied affirmatively. Member Bedore stated that in other words this is a lease with square footage in downtown Springfield at 823 E. Monroe Street and the rate is \$12.06. Ms. Florence replied affirmatively. Member Bedore stated that's a very good rate compared to other buildings that are in the downtown area, is that correct? Ms. Florence replied that she would say that is a good rate, yes. Chairman Stewart asked if any other Board members have a question or comment at this point. This needs a Certificate of No Objection so would someone care to make a motion? Member Morales made the motion to approve the lease and was seconded by Member Bedore. With a vote of 4-0 the motion was approved and a Certificate of No Objection will be issued.

The next item on the agenda was HFS lease #5602 at 2200 Churchill Road in Springfield. Director Carter stated that this rate starts out at a proposed \$12.50 per square foot. It's got a personal space of 274, and again Ms. Florence is available for any questions. Chairman Stewart asked if any Board member has any questions, comments or concerns. Member Bedore stated that he has a few questions. First the electrical cost, it seems a bit high doesn't it? Ms. Florence replied that it does, she has asked fiscal to pull a couple years worth of utility bills and the rates have been pretty consistent. CMS does take advantage of flat rate level pay there with CWLP. This is a high usage facility and it's in the neighborhood of 350 employees, which is 350 computers, plus a computer training facility, printers, and copiers. There is a lot of pull from electric in that facility. Member Bedore asked, but didn't CMS reduce the number of printers and everything over the last year. Why would the electrical cost still be the same? Ms. Florence replied that there is still some work to be done there with the printers, which has to do with HFS. A couple of the systems that they use are not compatible with... honestly she doesn't understand all the ins and outs with that but that is something that CMS continues to work on with HFS to further reduce the printers there. Member Bedore stated that wouldn't this building, that whole complex, be a prime candidate for the high efficiency to go in there and take a real look at this? Ms. Florence replied perhaps. Member Bedore stated that this is one of the highest rates the Board has seen and somebody has to look at this, don't they? Member Bedore stated that he remembers walking through this building with a gentleman named Matt Brown a few years ago. They toured this facility and it's a great facility, but they found a lot of open space and in your comments here you talked about it not being utilized. Ms. Florence replied that CMS realizes that there is vacant space there and they're working to restack the building to better utilize that space. Member Bedore asked when they are going to do this. How long has this building been underutilized? He knows when he was there it was definitely underutilized. Ms.

Florence replied that part of the of re-stack is dependent on the Bloom work being done, as you recall some people will be moved out of there. When that work is done they will move some of the people out of Churchill into Bloom and they will then renovate that space to backfill with the HFS/OIG staff from 5th Street and terminate that lease. The rest of the restack will be done in phases where they can utilize, they can empty out a space, use that as a staging area while other areas are renovated. When that's done, the work is supposed to be done within a year, they expect to have one entire floor vacant which they're currently intending to backfill with a DHS call center. Member Bedore asked if she was saying that within a year this is going to be done. Ms. Florence replied that's their plan, yes. Member Bedore asked if it was a realistic plan. Mrs. Florence replied that they think so. Member Bedore stated that the line itself, that this facility is not being utilized at its full potential. Ms. Florence replied that CMS has been through the building as well, they know where the vacancies are, they know there are empty offices and empty cubicles. Member Bedore stated that you can just walk through the building you see it, as he did once before. Member Bedore stated that there are two things, one is that it's totally underutilized which CMS is aware of and the second thing is the high energy cost which the gentlemen that is coming next month, he would hope there is a full report on this building and what can be done. Member Morales stated that he backs up what Member Bedore just said especially with the energy cost, maybe they can find out when there was an energy audit on this building and if there hasn't been one maybe one should be done. If there was one done what were the findings? Chairman Stewart asked if there are any other questions or comments by Board members. This is one that needs a Certificate of No Objection to move forward, will anyone care to make a motion? Member Ivory made a motion to approve a Certificate of No Objection with Member Morales seconding the motion, but he would like to know the findings if there was an energy audit. If there was or hasn't been one then one should be done on this building. Director Carter stated that he would have Donald Barnes look into it and prepare for that as well. With a vote of 4-0 the motion was approved and a Certificate of No Objection will be issued. Chairman Stewart stated that he wanted to follow-up on Member Bedore's and Member Morales' comments, yes it is good that they reduced the base rate and CMS deserves credit for that, but the Board spent a lot of time talking about energy costs, ongoing costs, they do have an Executive Order so he agrees that if there hasn't been an energy audit done this should probably move up because this does appear to be one of the higher rates the Board has seen for energy costs in any lease for quite some time, probably before he came on the Board. So he thinks this would be a good test to see what they are doing on a proactive manner. Again, they obviously did some work to get the base rate down, but perhaps there is some additional work to get done on those carrying costs on the electric. Member Ivory stated that he is still challenged by making sure that as they evaluate how well we are doing, how well we are not doing, he's just a little puzzled as to how they can best have a feel for our effectiveness or CMS's effectiveness in terms of energy efficiency, maybe it is something at some point in time we can examine and set a guideline from CMS that could give us a real sense of where we're at and a real way to evaluate at future dates with other people who may be coming on the Board as to the Board's performance overall and how well they're doing because in most cases he doesn't feel he has any clue as to their effectiveness and how the effectiveness of CMS is doing at the same time on these issues. Chairman Stewart stated he thinks it would be handy that since the Executive Order came into effect in 2009, how many new leases, we will talk about new leases, have been issued and how many energy audits have been done? It's not going to be a perfect analysis, but the numbers will tell the Board a little bit of the story of is it being proactively managed with the audits. He agrees that there is an overall policy issue there, but the audits probably seem to be the way to really check, he's sure they don't do it for every possible lease the Board has done and would be surprised if that's the answer, but what is the percentage of new leases that gets these audits and then what savings, if any have been identified through audits thus far and again, it's not going to tell the whole story, but he thinks it would probably give the Board some idea for what's going on out there. Then maybe some of the standards will need to be re-evaluated, but just some very basic baseline measures will probably give the Board a better story. He doesn't know when the 2009 order was put out there with a reference of approximately \$120 million in energy cost. Someone calculated that number and he understands we might have less property so you're not doing apples to apples, but what's the latest and energy prices fluctuate he gets all that, but approximately what was our energy cost for the last full fiscal year for CMS owned and leased facilities? He understands there are many variables, that 2009 number may not be a benchmark, but then again it would be handy to have, one would assume with less property our energy costs have gone down but, that's just an assumption. So if we can have some of those from Mr. Barnes some of those very basic local numbers it might be helpful.

The next item on the agenda was CMS Facilities. Chairman Stewart stated that the Board will move on to an overall facilities report. Ms. Florence stated that she doesn't have anything new to report, if anyone has questions she'll try and answer. Chairman Stewart asked if any Board member has any questions or comments. Member Bedore stated that he would like to make a few comments. At last month's meeting a gentleman came forward and made a statement about issues that he raised at a meeting the month before. First he stated that he's not the owner of the Bucari Building. The fact as of today, he and his family and other members are still listed as the owners of this building. CMS still has them as the owners and that's all this committee and himself have to go on, all the Board knows is that the owners were listed by CMS and presented to the Board. So either CMS is wrong or the gentleman was wrong. Second, the reason why he singled out the Bucari Building was because of the square foot cost. Let's look at the building a half a block away, the Illinois Commerce Commission at 527 E. Capital Ave. The square footage includes all costs and that is where this building, a half a block away is \$10.29 a square foot. The Bucari Building at 609 S. 6th Street including all costs as of January 1 will be \$16.75. That's a difference of approximately 60%. That's why he made it an issue of this building. We have a building a half a block away where the State is paying 60% less in square footage rate. He believes that with a big difference in rate he believes that CMS should start negotiating with the owners of this building so at the end of their 5th year is up they can have a new lease, and if it's based on other buildings around in the area were talking over a million dollars in savings. In addition to these facts there is a new lease the Board has before them, well it's under a 30 day review, and its lease 6286 at 607 E. Adams for Commerce and Economic Opportunity. The owners listed by CMS are the same owners as the Bucari Building. The total cost for the rate of this building owned by the same people is \$13.10 and yet the State is paying \$16.75 at the Bucari Building. This is the same owners and yet they're paying 30% less in this new lease than they are at the Bucari Building. These leases show the State is paying above the going rate at the Bucari Building and that is the reason he raised this issue. Member Bedore stated that he believes the State can save millions of dollars by lowering the square foot cost and by instituting the energy efficient program at this building. He has nothing personally against these owners, but these are the facts that are presented to the Board from CMS. These are not his numbers, these are CMS' numbers and the facts speak for themselves.

Chairman Stewart thanked Member Bedore for those comments. He thinks anyone who has attended these meetings on a regular basis knows Member Bedore has been highly consistent in pushing CMS, the SPO's office, whoever it maybe, to try and cut costs not just across the board, but when there are comparables to measure against and he thinks all members of the Board have done the same, but Member Bedore has always been strong on this issue of taking a look when it is either the square footage cost or an operating cost that appears to be higher than others in the area, that is a common occurrence here. Other Board members have done it so he appreciates Member Bedore's comments and yes the Board itself has to rely on the information that is presented to them. The PPB staff does a great job but obviously we're not, and CMS does a great job, reliant we are on the representation the Board receives in terms of some of the basic facts and figures. These are not PPB generated documents, they are largely CMS generated documents. Chairman Stewart asked if anyone else has anything to say at this time.

Mr. Egizii asked Chairman Stewart if someone was allowed to answer those kinds of questions when they're directed at him. Chairman Stewart stated there is public comment period where people will be able to speak in front of the Board similar to last time. We will get to that and for any meeting of the Board there is opportunity for the public to speak so that's typically reserved at the end of the meeting so we will continue that practice, but people will be able to address the Board as they deem appropriate.

The next item on the agenda was the Illinois Commerce Commission. Director Carter stated that he had at Board request that the Commerce Commission come forward and give a very brief overview of procurement practices including of minority participation. In attendance were Ms. Jane Fields, Chief Fiscal Officer and Agency Purchasing Officer for the Illinois Commerce Commission and Gene Beyer, from the Public Utility Bureau at the Illinois Commerce Commission. Ms. Fields stated that it is their understanding that the questions today revolve around the utility minority contract reporting information that is posted on their website. Ms. Fields asked if there are there specific questions they should address? Member Ivory stated that if they could just give the Board a general overview and then there may be some specific questions that he may have in reference to the information that is shared with the Board. Mr. Beyer stated that in 2012 the General Assembly passed new legislation that was placed in the Public Utilities Act requiring the larger

utilities in Illinois to file an annual report with the Commerce Commission that described their successes and their plans with supplier diversity contracting, specifically, they had to report on the numbers and goals for minority owned, women owned, veteran owned, and Small Business Enterprises. In August of 2014 the General Assembly rewrote that law and provided new guidance to the Utilities and expanded the reporting requirements for all the information that's to be in that annual report. The ICC's role is to review what the utilities, the substance of their reports, to review their plans, to post the utilities' reports on the ICC website, and after the reports come in this next year to host a public forum wherein all the utilities and the interested parties may come forward to discuss the results and the results of their supplier diversity of procurement practices and their plans for the future. The other ICC's role has been to support these initiatives. They've attended supplier diversity events, a recent event in Collinsville in October was well attended by the public. And at these events the utilities describe what their procurement opportunities are, what their rules are for example, safety and insurance limitations, and they encourage vendors to contact the utility as well as contact the utilities primary suppliers to learn more about what the company has to offer and how they might be able to do business with the company. The ICC has been very active in helping to draft legislation and providing reviews of the legislation, and encouraging the utilities to do all they can to improve the results of their suppliers diversity efforts. The next report is due in April of 2015, in previous years the report was due on February 1st because this year the reporting requirements have been expanded, additional time was built into the schedule so they are working right now with the utilities to get a heads up on their upcoming reports, as well as to make suggestions to them on how their previous reports can be improved. The most recent meeting was two weeks ago where they met with all the utilities who were involved originally. The utilities that were in attendance were ComEd, People's Gas, Ameren Illinois, and Nicor Gas. This year with the new legislation, Illinois American Water, the State's largest public utility water company, has been added to the companies who must report.

Member Morales stated that they basically take the information and report it back. It was mentioned that you make suggestions, does the ICC have any influence over the planning or have any input over the planning on how these companies do what they do? Mr. Beyer replied that they have no authority in the law that's been given to them to participate in any of their planning, or their procurements. The utilities procurement practices, as one might suspect, is very complex and detailed function at the utilities and they have been given no authority nor do they possess the expertise to be involved in that. However, in the public meetings that have been held and in the communications with the utilities, the agency has expressed deep interest in seeing the numbers continue to improve from year to year. Member Morales stated that it was said that your department has no expertise, but you make suggestions to them. Is that just on the reporting? Mr. Beyer replied yes, the reporting is an important facet of this legislation, and it discloses what the utility has done in the past year and what its plans are for the next year and the activities that it is currently engaging in. In order to make those reports useful to the public they try to encourage the utilities to follow a similar format, to look at each other's reports and utilize the best practices as far as the information that is provided in those reports, and to make those reports as useful and complete as possible so they want the reports to be good reports. They do not however, for example, suggest to the utility that a number that 20% one year should be 23% in the next year, the law doesn't provide for any of that. Member Morales asked for example, when they see zero across the board do you ever ask was there an improvement? You just said you don't question that, you just report it, so you would never, for example, on a Hispanic side they see zero across the board, was it zero the year before or do you ever question that? Mr. Beyer replied that last year when the reports arrived he did go through all of the companies' numbers, because at that time they had two years to compare, they had the 2013 report as well as the 2014 report. He questioned every variance that he could identify, be it a huge increase, a huge decrease, an usual number, the basis for the numbers, the accounting for the numbers, and he sent each of the four utilities a series of questions last year to understand all of that. In the first two years of the reports the only time they had a zero reported was in 2013's report when Nicor reported zero for business that was directed to veteran owned business. Other than that, all of the categories, minority, women, veterans and small business have all shown numbers in both years. Mr. Beyer stated that he would add, as a result of the review the ICC did last year where they challenged the numbers and questioned the number because they want to make sure there is accuracy, and equal footing upon the utilities as possible. There are going to be improvements in this next year's reports. The utilities are working together to make sure they understand how each of them gathers this information and reports this information to ensure as best as possible that the numbers are comparable among all the utilities. Member Morales thanked him for his response.

Member Ivory stated that he has a couple of comments in reference to looking back. Not long ago there were a lot of people, especially a number of people in his organization, fought very hard to make sure that smart grid, and affordable and reliable energy, some legislation that was important to make the State competitive with surrounding states for infrastructure and everyone pitched in together to get that done, and he remembers being in some conversations that they had talked about this and most people know that the ICC carries a pretty big stick when it comes to their influence over utility companies and he thinks we can all agree upon that. Member Ivory stated that he thinks the question that he has is that when you say you just report the numbers and you have the hearings, and he knows that State Representative Will Davis has played a real role and he was in a meeting in Collinsville when they had the meeting with Richard Marks and Ameren. He is just curious in terms of, it sounds like they're just reporting the numbers and do little reaching out. Is there anything as you take a look at the numbers from your perspective even though you may not have the legal authority, is there anything that stands out when you take a look at the numbers that you see on an ongoing basis. How well are you doing from your perspective? Mr. Beyer replied that he can't say that they have enough information with just two years of reports to suggest that there's anything that they are concerned about. Again though, they're not really evaluating the reports on that basis. There are not guidelines in the law to achieve certain percentages as there is in Illinois Law for procurement to achieve certain percentages. So they don't have those targets they're trying to hit, however, you're exactly right, the ICC does carry some influence in these matters. He too was in these meetings with you Member Ivory in Representative Davis's office and at the Collinsville meeting we talked about the rate making associated with these sorts of expenses, and he will say this, while the law doesn't require the ICC to do much more than to accept these reports, place them on their website and hold the meeting, he can assure the Board that in meetings that he has attended with the Commissioners and the utilities and the public, the utilities have been outspoken in their extreme interest in these issues, and in their encouragement of the utilities to improve their numbers. At the last meeting of the utilities with the Commissioners, the Commissioners expressed interest in seeing the utilities develop a supplier diversity counsel in Illinois like the utilities have done in a couple other states, most notably California. The utilities began working on that and with Dr. Lowery, that he believes you might have met before, has began working on that in Illinois and he thinks that in combination with their expended outreach to contractors, subcontractors, and in their supplier of diversity events they are striving to increase these numbers, in one respect because the ICC has strongly encouraged them to do so. Chairman Stewart stated there we're running into some room issues and thanked the ICC for coming in today. Some Board members may have some further specific follow up questions and Director Carter will relay those to you, but appreciates them coming in today to speak to the Board. Chairman Stewart stated that they have two items left on the agenda, but with the interest of time we're going to switch it around a little bit. Earlier someone asked to address the Board, if that individual would please come forward and make their remarks and please limit it to about ten minutes just because the Board still has a couple other items they have to wrap up before noon.

Mr. Robert Egizii stated that fortunately for all of us he thinks he wasn't personally attacked at this meeting, but he still was attacked under the basis that he owned the buildings. Now he understands and is sure all the members of this committee understand that two of the three main jobs that they have is to recommend and to review. Every lease that they have and he manages 850,000 plus or minus feet. Every lease that he has with the State of Illinois, which is probably 33% or 34% of their leases, which is the only industry in Springfield, IL anyway by the numbers, by the percentage of what they own for their properties. So when he said he doesn't own them, he doesn't own them and unfortunately, this committee hasn't been able to look at the leases or find out who does own them. Because he can give the Board all the percentages if anybody were to ask. And you can't compare a 6 story building only using 4 floors to a 15 story building when it comes to heat and air. We don't have a building like the one we're in right now completing 100% State of Illinois lease that has the temperature this room has in it right now. You can't go to one of their buildings and find this, but he is happy to give the ownership percentages and the people, if that's what the committee wants, but it's in every lease and he appreciates being able to come up and defend what was said a while ago. That's all he has unless somebody has some questions. Chairman Stewart thanked Mr. Egizii for coming forward today. It's a public comment so thank you for coming forward with follow up questions we will follow-up. Member Bedore stated that in your statement you said that you needed to defend yourself. All he can say is what is presented to the Board from CMS shows you and other members of your family and other people as owners of these buildings. Now if you have an argument with that he would suggest you would talk to CMS because what's presented to him and this committee is what he stated, so you don't have to defend yourself against him

because he's just reporting what's presented to this committee. Mr. Egizii replied that's the unfortunate part sir, you're not reporting what is written in the leases. Member Bedore stated that what's reported to him sir, is... Member Bedore stated that he can read it to him he has it right in front him. Mr. Egizii replied that he did too. Member Bedore stated that all he can go on is what is presented to this Board by CMS. Now if you've got an argument with that then he would suggest that he talk to CMS because what's presented to this Board is what he stated. Mr. Egizii replied that he thought, and maybe he's wrong, that the whole lease is presented to the Board because that's part of two thirds what this committee is suppose to do is to review and recommend. Member Bedore stated that they don't get the entire lease sir. Chairman Stewart stated that he is the most junior member of this Board and generally they get documents produced by CMS as opposed to the whole, he means if that's the case we would be killing trees by the dozens so to Member Bedore's point the Board reviews leases and the contract etc. etc. and make recommendations, but typically they are getting summaries and analysis from CMS with the basic particulars of any particular contract etc. etc. like square footage, janitor, parking, security, etc. There could be further follow up questions from time to time that comes up, which may require further diving into the leases. Mr. Egizii stated that on the Bucari Building 53.75% is what he owns. On the 15 story building 12% is what he owns, which really he doesn't know why that comes up it really has nothing to do with anything and he wants to thank everybody for not reading part of the last set of minutes because that was a personal attack and that's over and he won't bring it up if nobody else brings it up. Chairman Stewart stated that he will talk to CMS to see if we can get something a little more accurate reporting on some of these summaries to avoid these types of issues in the future. Chairman Stewart thanked Mr. Egizii for coming forward.

Chairman Stewart stated that he thinks they have a little bit of time left to wrap up. With no further business to discuss a motion to adjourn and go into Executive Session to discuss personnel matters was made by Member Morales and was seconded by Member Ivory. Mr. Jeff Jurgens, the Board legal counsel, stated that they also need to announce whether or not they would be taking any action after closed session. Chairman Stewart replied no there are no further matters to discuss beyond adjournment.