Chairman: Jay Stewart
Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

Minutes – January 15, 2015 Meeting

Present in Springfield:	Jay Stewart Ed Bedore Bill Black Larry Ivory
Absent:	Rick Morales

The Board started the meeting by confirming attendance at 10:00 a.m.

The first item on the agenda was the approval of the Board meeting minutes from December 11, 2014. Member Bedore made a motion to accept the minutes as printed with Member Ivory seconding the motion. The motion was unanimously approved.

The next item on the agenda was follow-up on the PPB Rules. Director Carter stated that he has been working with the various groups including the Chief Procurement Officer, and also with CMS and the past administration. They've narrowed it down and he doesn't think there are any grand scale complaints. They've made many changes that were requested including Member Bedore's changes. There's been some thought and even a request that maybe, even though we're pretty much there, but give it another 30 days to let the new administration have just a look at it. Director Carter stated that he doesn't see an issue with that and he also doesn't think they will find any issues with the rules, again it's just a basic clean up to get things up-to-date but if it pleases the Board they should give them a chance to look at it. Chairman Stewart stated he thinks that is a wise suggestion to allow the new administration a chance to take a look at it, he agrees most of this is pretty straight forward stuff, but he thinks as a courtesy the Board should perhaps hold off, he doesn't think there is a pending crisis that requires the rules to need to move forward immediately. In terms of substance to the rules any Board members have any comments or questions or is everyone comfortable with letting this perhaps sit until next month. Chairman Stewart stated that he thinks the Board will table it for the time being and pass it on to the Governor's Office or whoever needs to take a look at it at CMS and make sure they're comfortable with it.

The next item on the agenda was CMS Printer Consolidation. Director Carter stated that Billy Earl with CMS is coming to talk about specifically some of the operations he's been working on in the past few years, printer consolidations at different facilities. Between the last meeting and this meeting Mr. Earl and Will Blount went through the HFS lease on Churchill again to re-visit the printer consolidation program that they have there. He thinks Mr. Earl and his team even made some recommendations on some printers that needed to be removed and then come to find out there wasn't enough follow through on Mr. Earl's instructions, so they went back through and looked at some of that and maybe a brief overview on what else the printer consolidation program had going on. Mr. Earl stated that the last 5 years he has been the Statewide Print Manager. He stated that he will start with HFS and what happened there. Basically when they go through any agency he'll take Xerox, who has the master contract. They go through the agency and they understand their operation, their daily functions and what it takes to reduce the printers and make their footprint smaller. Each agency is different and he's dealt with everyone and some do it in piecemeal, some do it in regions, and some do it Statewide. About 2 years ago HFS got a new IT guy who came on board and was all in favor of the program. They slowly went through and did all the assessments in all the HFS buildings with the reduction of printers in every building. Basically what had occurred here as they went through HFS they were somewhat

222 SOUTH COLLEGE STREET, SUITE 231, SPRINGFIELD, IL 62704
Telephone: (217) 785-3988 Fax: (217) 557-9927 TTY: (888) 642-3450

siloed, although HFS' main IT department is in charge, then you've got medical and everything and their IT people oversee these IT people, so most of HFS went really well. There were some issues with Kid Care at the Bloom Building due to the fact that they do something called the concurrent printing and we're currently working on that to get rid of printers there to use the multi-functions. The problem with HFS Churchill was that the guy that was working to the program with him had retired and the other 3 bureaus that were left to do never got done and until this Board went in there and saw it and then he went and when he and Mr. Blount talked with the IT people, he doesn't know the program was ever sold to them. The view going forward with them is that whoever is working with the print management programs needs to work with them on the floor plans to ensure that and he has heard every excuse, he's heard I have HIPAA Laws, the 10/70 Rules at Revenue, I can't walk 25 feet, what's going to happen here are there is a lot of walled offices in the new location, Mr. Earl stated that he has reviewed the floor plans and they're going to come up with a lot of issues of why they can't move to the multi-functions. That's basically the gist of HFS. The overall program for the State of Illinois, he was and has been assigned this duty and in five years we made a lot of progress. It's been beat up and he's had printers hidden under desks, he's been locked out of buildings, but it's a very productive program. Year-to-date they have taken out over 20,000 printers, rolled in about 4,000 MFDs and the cost savings with the $0.04 a page is how they decided 5 years ago, somewhere between $13-$15 million each year in savings. That doesn't even include operationally how things have changed in the offices. These machines they now use also scan to files. They have brought the print world up in the State of Illinois to a standard and it has been tough. Warehouse space, they don't store millions and millions of cases of paper anymore in warehouses, they're not paying leases. In 2010 they bought over 710 million sheets of 8 ½ x 11, in 2014 they bought only 300 million. When you make people go to multi-function, save the file, it's been an overall successful program. Has everybody been happy, no, but he can say that it has been very productive and it's a good program and he hopes someone from the new administration looks at it real good and says that it's a good deal. Mr. Earl stated that he is available for any questions and also wanted to say thanks to the Board for its support the past 5 years.

Member Bedore stated that he thinks that Mr. Earl has done an outstanding job with the reduction of the printers, that goes without saying, even if you reduced 20,000 that's remarkable. Mr. Earl replied that the Board started the program at 628 E. Adams and that's part of his program conception, he heard that Member Bedore saw 138 pieces of equipment in an office that had 70 staff and that's how the program started, right there at 628 E. Adam's, that's the way it is. Member Bedore stated that it didn't take a genius to walk through a building and you see all this equipment. Mr. Earl stated that with the new multi-function contract, they put a lot more on BCCS because people now use these for copy machines, they don't have copy rooms anymore. That's the first thing, with Terry Schierholz's direction and Member Bedore, we're not putting copy rooms in leased space, these are copy machines that sit out in an operational area this is not hidden in the back room stuff. Member Bedore stated that what you're saying is that they do need some more work at Churchill. Mr. Earl replied of a lot of work, whoever is in his chair next needs to work with the floor plan and understand the program. Xerox is a good partner. Member Bedore stated that we have to get whoever the new Director of HFS is, will really have to work at it. Mr. Earl replied yes.

Chairman Stewart stated that he would just like to echo Member Bedore's comments in terms of from when the program started until today. He's sure there's always more work to be done, but the changes from the beginning of the program to currently he thinks are indicative of the efforts of CMS, others, and the Board put into this and those are real genuine savings to the agencies, the taxpayers, and everybody else. He knows his agency and they have had consolidation, they came through and he had a printer and he said no there is no need for him to have a printer and gave it up and it hasn't changed his life and it is no different than it was before, so he knows there is some resistance because people have always had it, but with few exceptions he thinks you can have some consolidations. As you pointed out as we go more to electronic records it also kind of takes care of the paper side of it, which he knows there is still a lot of work on the electronic records, but lease consolidation helps on the paper side, but thank you for your efforts in this initiative. Member Bedore stated that he thinks the taxpayers of the State of Illinois owe you gratitude and Mr. Earl and Mr. Walker have done an outstanding job for the last 5 years.

The next item on the agenda was follow-up on the CMS Facility Energy Discussion. Director Carter stated that the Board had a fair amount of follow-up questions from last meeting and Mr. Barnes worked to provide answers to what he could and he'll explain what he provided to the Board in the documents in front of you and then he will be available to answer any other questions. Mr. Barnes stated that he just wanted to point out before he gets started that this continuing dialogue that we're having on energy efficiency does get into some areas that the documentation will be somewhat complex to produce because when leases are advertised there's no tracking as to what cost the landlord may put in prior to the award of the lease to make his facility compliant with the spec, so to the extent they have information on landlords that have come to CMS to get the assistance through the Energy Efficiency Portfolio Standards Program. Mr. Barnes stated that he does have roughly 6 locations that specifically came to them after numerous blast letters and following webinars advertising the program. However, the statistics would indicate there's been quite a bit of activity in addition to the multifunction reductions that Mr. Earl just reported that have also contributed to driving down energy use and cost. Having said that, Mr. Barnes stated that he'll start by addressing some of the specific questions that the Board proposed. Mr. Barnes stated that as he mentioned there are roughly 6 facilities that came to CMS over the last 5 years requesting their support through the Energy Efficiency Portfolio Standards Program, that's not to say that they are the only 6 facilities that made energy upgrades, but the program through the State requiring that the account be in the State's name at the time the application is made, so landlords having properties that are coming new to the State's portfolio would not have met criteria to come through the State program, they would instead go through the Utility Base Program and would not come to CMS' attention in the same way. However, of the 6 locations that have participated there was cumulatively a 6.2 million kilo-watt hour reduction, or 2.1 million kilo-watt hour reduction between fiscal 2010 and fiscal 2014, which was the last year in which they have total statistics. One facility stands out that he'll mention, the 3910 W. Ogden location. That shows a very high level of energy reduction, approximately 46% usage reduction and a 62% cost reduction on electricity. That was driven in part by a reduction by 13% in the occupancy ratio for that location and also by the addition of a master switch, which allows the building operator to have better control over the lighting system during off hours, but the remaining facilities all showed usage reduction between 9% for 25% overall reduction and all of them showed cost reductions between 33% and 35% with that noted exception. That is basically the statistical impact of those facilities that got rebates. In the overall portfolio the Board asked for a distinction between the energy statistics as it relates to the State-owned portfolio and the leased portfolio. One of the reports that the Board has tracks electricity usage and natural gas usage since fiscal 2010 and he'll mention that fiscal 2010 has significance because that's the first year for which their internal energy database has a full year of history. They do go back as far as fiscal 2009 in some of their reports, but this one was conveniently benchmarked against 2010 because the question pertained to leased and State-owned locations. As you can see for electricity and he'll mention electricity first because this relates to the leased portfolio and electricity utilities that we have great control over given that we can impact electricity used through lighting retrofits and other upgrades that don't require major capital improvements that are otherwise difficult if not impossible for the State to finance in a non-owned property. In fiscal 2010 the State-owned portfolio used approximately 440 million kilo-watt hours of electricity and the lease portfolio used 49 million kilo-watt hours of electricity so it's approximately 490 million kilo-watt hours across the State, and by fiscal 2014 those numbers have been reduced to 414 million for the State-owned portfolio and 35 million kilo-watt hours for leased portfolio, so it is approximately down by about 50 million kilo-watt hours across the board. The change has been consistent in the leased portfolio throughout the years. They reduced the portfolio usage ratio by about 6.4% in fiscal 2011, by about 6.7% in fiscal 2012, 8.8% in fiscal 2013, and approximately 10.8% in fiscal 2014 and those reductions come through a combination of as he mentioned the load reduction activities and space consolidations that reduce the number of locations that are actually being serviced, so those trends continue in the current year. Mr. Barnes stated that he would just quickly mention that while natural gas is something that we don't have as great of a control over since they can't freely buy boilers for leased facilities. They have also noted cost reduction trends in natural gas cost as well. Those are basically the numbers. If the Board has any questions he would be happy to entertain them at this point. If he cannot answer them now, but he'll be happy to research and come back to the Board later.

Member Bedore stated that on their lease side, you have the Department of Corrections (DOC) in 2010 with total cost of $117,000 and you go to the next year and you have $45,000. That's a drop of 63% in one year, how can that be? Mr. Barnes asked if that was electricity or gas. Member Bedore replied that he believes it is electric. Chairman Stewart stated that it is electric. Member Bedore asked how can they have a 63% drop in one year? Is it because you've closed some facilities or how can the DOC go from almost 1.4 kilo-watt hours down to 500,000 kilo-watt hours in one year? Mr. Barnes replied that's a question that he could look into for the Board and send a response. Director Carter stated that Ms. Florence with CMS is here and might be able to answer that question. Ms. Florence stated that the only DOC facilities that are leased are parole offices and a handful of the Adult Transition Centers and they did close a number of those she believes in late 2009. Mr. Bedore stated that a lot of these savings are because of closed facilities. Ms. Florence replied that Mr. Barnes did indicate in the first part of that. Member Bedore stated that then it is not on the leased side, he's not speaking on the owned, the leased side, so you have this big reduction and it is mainly because you've closed offices and consolidated offices, isn't that true? Ms. Florence replied that she is sure that is part of it, she doesn't know if it's mainly it, she is not going to interject on Mr. Barnes…Member Bedore interjected stating that for example the Department of Corrections you can't go down 63% in one year without some closings. Mrs. Florence replied sure. Mr. Barnes stated that as he mentioned, site consolidations do play a major role in the reduction of utility cost.

Chairman Stewart stated that he has one question on the electric side, on the owned facilities side. Year to year from 2010 through the last full year fiscal 2014 it shows year to year reductions, but at the last page cumulative change for base year fiscal year 2010 it shows a net savings from base year 2010 to 2014 of $22 million, almost $23 million, but if you add that back into the totals for fiscal 2014 which is $29 million and looking at this chart, he's a lawyer and bad at math, but $29 million plus $22 million is more than $40 million, which is on the front page. Mr. Barnes replied that the cumulative reductions pick up the reduction figures from each year and add those together. Chairman Stewart stated that he doesn't know if that adds up, that is what he's saying. Mr. Barnes stated that you can't take the cumulative reduction and add it back to the bottom line figure for any given fiscal year, it's the adjustment between each year and the base year added together that gives you the cumulative figure. For instance if you save $2 from fiscal 2010 in fiscal 2011 and you add savings of $3 from the next year, that cumulative figure would be $5 saved across those two years. Chairman Stewart stated that he gets that, but if you just look at your year to year and forget the base of the cumulative value, the cumulative savings per year, it still doesn't add up to $22 million. Chairman Stewart stated that he's doing your $2 in one year, $3 in the next is $5 overall. Again, it's clear from a year to year basis there are signification savings, he's just not sure if the calculation in itself for that last cumulative, because it shows a cumulative savings from base year 22 and he doesn't know if it adds up to 22. Mr. Barnes stated that the one thing you need to take into account is that when you're looking at each year's activity, the change from the previous year shows the figure that goes back to the prior year, but when you take that back to the base year that original change is already baked into the number. So for instance, when you look at the $3.9 million in usage reductions between fiscal 2013 and fiscal 2012, that's also inclusive of $13 million that was reduced from fiscal 2012 over fiscal 2011's total but it doesn't show in fiscal 2013's figure. Chairman Stewart replied ok. Mr. Barnes stated that it only gets picked up in the cumulative numbers. Chairman Stewart stated that just for perhaps future reports, particularly on the leased side, it would probably be helpful on the owned, but definitely on the leased, is for each particular line CMS, DNR, DOC and the various agencies, what was the total square footage of the lease so you can see some of the property consolidation. He knows it's not going to necessarily explain all the savings on a year to year basis, but that might be helpful so when you look at it, it is readily apparent like yes they closed 70% of their space so yes some of that is going to be attributed to energy savings, so for future reports an extra column for total square footage that was at least on the leased side. He knows it's not a perfect 1:1 ratio, but it would help the Board at least have a broad understanding of some of those savings would be generated by, in this case DOC, significant reduction in square footage, so again for future reports that might be handy to throw in. Mr. Barnes replied that he will check to see how he can produce that, one of the anomalies of looking at this as compared to a leasing report is that the agency identifications are based on the billing relationships for each of the locations. For instance, when you look at CMS as a line item on this report, CMS leases very few if any facilities for its own operations and included in this number are the sites leased with DCFS, DHS and other agencies, so they would have to extract that and kind of change the presentation. Chairman Stewart stated that he thinks for purposes of the here and now even though CMS would cover multiple other agencies he doesn't know as of right now that they need to drill down within the CMS umbrella how much was DHS versus just CMS all in and then if we wanted it drilled out further in a specific agency, but just from the current format, they have the current agencies broken down without going further, just the square footage. He understands that CMS is the master landlord for multiple, multiple agencies and at this time he doesn't think we would ask that you sub, you break it down beyond just the CMS level for that particular line item. Mr. Barnes replied ok. Chairman Stewart asked if anyone has any other questions or comments on this particular issue. Chairman Stewart thanked Mr. Barnes for providing the information and he's sure the Board will be re-visiting this issue again moving forward.

The next item on the agenda is CMS Facilities. Director Carter stated that the Board doesn't have any posted lease activity in the last month, but he knows Ms. Florence is available. He is not sure if she has anything else she wanted to add or if the Board has any questions she would certainly come forward. No other questions or comments were made.

The next item on the agenda was Illinois State University lease at 100 South Fell Avenue in Normal. Director Carter stated that he knows there are some representatives from Illinois State available. He will say that this lease when posted was originally placed on the agenda at Board Member request because of a threshold so the Board could object. Since that time the University has voluntarily and at their own volition pulled the lease back to work on it a little bit further. They voluntarily came forward today even though it has been pulled back to discuss with the Board the lease itself and to hear any of the Board's concerns, that way when it is reposted and is revisited by the Board everybody has a good idea on where everybody stands.

In attendance was Debra Smitley, Associate Vice President for Finance and Planning at Illinois State University and David Gill, Director of Facilities Planning and Construction Management at Illinois State University. Ms. Smitley stated that they wanted to thank the Board for the opportunity to meet with them this morning to present an overview of the University's continuing need to lease space and to answer the questions they have regarding the proposed lease renewal for office space in the Uptown Crossing facility located in Normal. Illinois State University first entered into a lease for the space in Uptown Crossing in July 2009. They did so when their space needs exceeded what was available in University-owned facilities. Uptown Crossing currently houses offices that are critical to the operation of the University and that are essential to the institution's ability to carry out its mission of providing instruction, research and public service. There are offices for purchasing, payroll, contracts and grant, their accounting staff are there, College of Education staff are there as well as several other grants supported activities. Additionally the facility provides 4 conference rooms and 7 small meeting rooms that are used not only by those offices that are housed in Uptown Crossing, but are used by others from across the University as well. This space also serves as a place to accommodate offices that are disrupted during construction activities. The University simply does not have the space to accommodate these activities in on-campus University-owned facilities. As part of their ongoing processes to review space needs they identified Uptown Crossing as an area to accommodate the University's research and sponsored programs staff and a research center. The space vacated by the College of Nursing afforded an opportunity to co-locate a research center and the research sponsored programs office in proximity to purchasing and grants accounting. Doing so allows for enhanced collaboration and efficiency, and identifying grant opportunities, discussing and writing grant applications, managing and monitoring grants program expenditures and ensuring compliance with the granting agency's requirements and other Federal and State laws and regulations. Furthermore, the research and sponsored programs staff have outgrown its current facilities due to the addition of additional staff that are required for compliance related activities. Remodeling of the space in Uptown Crossing that is proposed as part of the lease, would better accommodate the research programs offices and the research center by creating a more functional and efficient space for those functions. Allowing for easy access to shared conference rooms available in this space and improving the pathway in the facilities, way finding to all of the offices and providing increased visibility for the research center, to not only the campus but to the local community. Accommodating these space needs, which are a strategic priority of the University, and the fact that there are no available University-owned spaces to accommodate the on-going functions housed in Uptown Crossing, they entered into negotiations for the renewal of the space. As the Executive Director referenced, they have had a series of conversations which she has highlighted for them, some concerns and questions that the Board has about the lease and they did voluntarily ask that the notice be canceled earlier this week. With this brief overview she and her colleagues are available to address whatever questions the Board has regarding the lease as it was initially presented to the Board. Ms. Smitley stated that she should mention that they also have with them colleagues from the University Purchasing Office who also worked with them on the planning of this space and the preparing of the lease documentation. Chairman Stewart asked if any Board members have questions about this particular lease even though it has been temporarily withdrawn.

Member Bedore stated that regarding this lease, after the five years they would have to go out for bid, is that correct? Ms. Smitley replied that as they would as part of their ongoing space planning processes as they would get into probably year 3 or 4 they would consider what their options are for accommodating those offices in University-owned facilities. They would do that first. If the conclusion then would remain as it is now that there is not space to do so, they would have to engage into another competitive process to identify lease space. Member Bedore stated that because under State law you cannot go on beyond the five years. Ms. Smitley replied that they understand that. Member Bedore stated that just so you understand that they have to go out to bid at the end of this lease, which is 5 years. Ms. Smitley replied yes. Member Bedore stated that you're proposing to invest $600,000 of University and taxpayer's money into a private building that you cannot be in after 5 years, unless you went out to bid and at that point and time we don't know if the owner would want you after 5 years, we do know if the University will need this space in 5 years, and if you do go out to bid, which you have to under State law, and it comes back and it may be even higher than a competitive bid, the argument that you're going to raise to the Board is that, well we invested $600,000 in this building we ought to stay. Even though this owner may come in with a higher rate you're going to put the gun to the Board's head in 5 years from now and you're going to say, well even though the rate may be higher than what some others bid, you know Board that they invested $600,000 and we just can't up and move, it's a very bad precedent. He understands putting money into a building if you had a 10 year lease, or 5 years with 5 year option, you don't have that choice here. Under State law you have to do something after 5 years. That would be his objection to this, plus the other side of the coin is right now the Governor asked that all expenditures, major expenditures, be held and he believes that $600,000 for something that's not essential could be held. Just looking at the Chicago Tribune article from he believes Monday that the U of I system wise has increased their tuition 71% in 10 years. Illinoisans going to the University of Illinois in 2006 were 9 out of 10. Today the population is 6 out of 10. You folks are spending money and it almost gives him a sense that you don't care about tuition and it's appalling. A 71% increase in tuition in 10 years. You can pull out Monday or Tuesday's Tribune, it lays it out. So to put $600,000 into a leased facility is beyond me, because you have no guarantee what is going to happen after 5 years. You cannot sit here, he cannot sit here and say, oh no we'll be there in 10 years, you can't say that. Under State law you can't say that. So why would we invest $600,000 into a private facility when we know there's a strong possibility we'll be out in 5 years? It makes fiscally no sense whatsoever.

Chairman Stewart stated that he would like to reference the recent Executive Order that was just issued two days ago. It probably behooves the University to take a good long look at the capital investment in this particular lease. It's clear there are probably going to be more cost saving initiatives put forward and to Member Bedore's point at the end of 5 years your having to go back out to the market and we don't know how that would play out, maybe it plays out great, but maybe it doesn't and that would be challenging. Chairman Stewart asked if there is any current plan, if you're saying in 5 years if there is space available back in University-owned facilities the intention would be to move it back, as it stands now is the University planning for that to occur with its currently University-owned space, like in 5 years their objective on your capital plan for facilities, does it include at least a goal or have you projected that far down the path yet? Ms. Smitley replied that they do have at least 5 major capital projects that are pending as part of their request to the State. Those projects provide space for primarily academic programs, but do include some office space. Those projects happen to be very large ones and whether they can truly be funded in context of the current economic environment, none of them really believe that all 5 of them would be funded. Whether one would be able to be funded in the next year or not, she is not certain. We have been very fortunate as an institution to have some recent State appropriations for renovation of Stevenson Hall for Schrader in the last 10 years and are currently working on the renovation for the Fine Arts Complex. So part of it would depend on the State funding for those projects, in terms of being able to identify other resources for building this type of space they are really sort of hampered frankly in that regard, the resources are not available. Member Bedore asked where they were proposing this $600,000 come from? Ms. Smitley replied the $600,000 are from University Operating Funds and some certificate of revenues that the University has. Director Carter stated to expand on one of the last comments, one of the things that are helpful on occasion are there any programmatic advantages/disadvantages that they will experience if this doesn't happen? What will they do? Can you still occupy the space? Is there any of the $600,000 that is in some sort of machinery you can take with you? Ms. Smitley replied that the $600,000 is in infrastructure, it doesn't include any of the equipment or the moveable portions. The renovation is necessary to accommodate the research and sponsored programs in its entirety and the research center. They cannot take that entity and plot them into the space that was occupied by the College of Nursing and let it function. They have moved a few of the RSP (Resource Sponsored Program) staff in, it's fine for them, but to bring the others they would need to do some renovation of the space. Director Carter asked if it doesn't go through will you lose students or faculty, or will you gain students or faculty if it does progress as planned? Ms. Smitley replied that certainly the Research Center is something that is seen as a means to facilitate bringing in more Federal, State, and private grant Funds to the institution. Those funds do support faculty, they support staff, and they support student involvement in research activities that bring to them. Ms. Smitley stated that to give the Board a discrete number she is not able to do that, but certainly it is seen as a benefit across the board to their faculty, their students and to the staff that are involved in those grant activities. Chairman Stewart stated he would just strongly urge the University to take a look at the $600,000. Is it literally absolutely critical that those changes in the floor plan, in order for the envisioned center to function or sometimes something is better than nothing. Can the current floor plan be lived with, for a 5 year basis. Is it simply not do-able in any way, shape or form with the current floor plan or can you get 60% of what you want with the current floor plan? That's something for you all to think about, again he thinks the Board has some reservations, he thinks it would be polite to say at this point, but he thinks some communications with the administration, their thoughts, OMB there was a big meeting recently about belt tightening and things of that nature, and to Member Bedore's point he thinks it would be a courtesy to let them weigh-in or perhaps get some guidance from them before coming forward in a more formal fashion in front of the Board. Ms. Smitley replied thank you and they will. Chairman Stewart asked if there were any more questions or comments.

Member Black stated that one of the advantages of sitting next to Member Bedore is he often can clarify a sentence before he can ask the question. Member Black stated that he misinterpreted that sentence. He thought that you had talked the landlord into fronting the $600,000 cost and then would recover that on the rent. When Member Bedore asked his question, the University is fronting the money, you're putting up the money. Ms. Smitley replied that the $600,000 would be the ceiling, they would be seeking competitive bids for the work, not the University, but the landlord. They have the authority to deny those as they look through those and they have given them a $100,000 concession incentive in terms of the upfront. Member Black stated that which you know they will recover rather nicely. Then he looks back here at the map and you talk about just remolding just 3 of these suites and there are 3 that you don't use at all, you don't plan to use those? Ms. Smitley replied no, we are using those. Member Black stated that the ones in white state, "no work in this area". Ms. Smitley replied that she is sorry, the no work means no renovation or no remodeling. Those are the areas in which they have the purchasing, payroll, grants and accounting office so there is no renovation in those areas. Member Black stated that so when everything is done, it's been awhile since he's been on campus. Both of his children graduated from Illinois State so he's always grateful they both are gainfully employed. That has changed dramatically over the years. This would appear then to be rather prime real estate from where it is and what you're going to do, he thinks Member Bedore's point is you may have to get out in 5 years, the landlord may want you out in 5 years, because the building may be worth more on a sale, or the land maybe worth more on a sale, or he may find a tenant who would willingly pay more money. Then he wonders as Chairman Stewart has pointed out the recovery of costs to the University, you don't recover any costs, the landlord will certainly do ok and he knows if he was a student today and sees where you were spending $600,000 to remodel space, he remembers some of the dorm rooms his son lived in and wow, he thinks a monk in the 15th century had more room than he did in that old dormitory over by the athletic fields. That's a lot of money. Ms. Smitley replied yes it is and that's why, again they have decided to pull back and give the lease some more consideration in light of not only with the concerns the Board has shared, but for certainly in light of events of the last several weeks. Member Black stated that he doesn't report to speak for the new Governor, but he thinks he's given a fairly clear message that State funds may be a shadow of what they were and there may be none so he's not very optimistic that we're going to see a great deal of State funds flowing to capital projects. Chairman Stewart asked if there were any further questions or comments. Chairman Stewart thanked them for coming in today and briefing the Board on this particular matter.

The next item on the agenda was Legislation. Director Carter stated that since this is day 2, he doesn't have a great deal to update the Board on. He knows as of this morning there are about 197 bills that have been filed already and a couple of procurement related bills. Nothing major or any different than what we have been doing, by the next meeting he'll update the Board on the comings and goings of legislation.

Chairman Stewart stated that at this point in time they will do a public comment period if anyone cares to come up and make any remarks. No public comments were made.

The next item on the agenda was the calendar for future Board meetings. The Board is currently looking at February 5th. Director Carter will circulate emails to figure out a date that works best for all Board Members and it will be posted on the Board's website. Going forward are there any other matters Board or staff would like to raise at this time? Member Ivory stated that there is a new Acting Director for CMS and he would like to acknowledge her and let her know we're looking forward to working with her. Ngozi Okorafor stated that she is the Acting Director of CMS and appreciates Member Ivory for the introduction. Ms. Okorafor stated that she also wanted to introduce the new General Counsel for CMS, Michael Basil. Ms. Okorafor stated that she wanted to say on behalf of this current administration and on behalf of the agency that she is honored to be in this role and looks forward to working with each of the Members. If they have any questions, she knows this transition process has been a bit daunting and she is hoping it will proceed more smoothly going forward, but she is here to answer any questions the Board might have and work with you so thank you Member Ivory for giving her an opportunity to speak. Ms. Okorafor stated that she would love for Michael to say a couple of words.

Mr. Basil stated that he is a lawyer in private practice at the law firm of Clausen Miller, in Chicago. He hasn't started officially in this role yet, but he's trying to come over on a regular basis to work with Ms. Okorafor and the team here to make the transition as smooth as possible. He's had several meetings with Tom Mikrut and hopes to have a few more before he leaves, and depending on how things wrap up at his current job, he expects to be on with the agency full-time around the 1st of February, somewhere between the first and second weeks of February. Chairman Stewart thanked them and welcomed him aboard and he looks forward to working with him and CMS. It's probably the agency they have the most regular contact with, so we will have lots of conversations in the future.

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