

MINUTES
DU PAGE COUNTY TECHNOLOGY PARK BOARD
January 12, 2004

The meeting was called to order by Chairman Gorski at 5:30 p.m.

Members Present: Duane Gengler
Dan Goodwin
Gerald Gorski
Peter Huizenga

Members Absent: David Chicoine

Staff Present: Jack Tenison, Executive Director

Other Present: Chris Burke, Christopher B. Burke Engineering
Mark Wrzeszcz, Christopher B. Burke Engineering
George Maurides, Maurides & Foley, L.L.C.
Kenneth Cheung, Maurides & Foley, L.L.C.
Bill Grady, Chicago Tribune
Jake Griffin, Daily Herald
Jack Frawley, DuPage Airport
Paul Wiese, SmithGroup JJR
GP Yeh, Fermi Lab
Kimberley Wayne, City of West Chicago
William Chapman, Wolf Capital L.L.C.
Kevin Lentz, Knight Infrastructure
Kerry Field, Harry W. Kuhn
Dan Wagner, DuPage County
Dayle Gillett, Inland Group
David Bird, DuPage Airport Authority

Approval of Minutes

Mbr. Huizenga moved to approve the minutes of October 20, 2003. Seconded by Mbr. Gengler. Roll call vote: 3 ayes: Chairman Gorski and Mbrs. Gengler and Huizenga. No nays. Motion carried.

Mbr. Goodwin joined the meeting at 5:35 p.m.

Executive Director's Report

Jack Tenison provided a report updating the status of various aspects of the DuPage County Technology Park project since the last Board meeting October 20, 2003 and future projects. Mr. Tenison addressed two issues, the first being about the Technology Park's logo design. Edelman Worldwide has developed brochures and other marketing

materials for promoting the Park to potential tenants and have recommended updating the logo design so it is more consistent with a high technology look. The other issue was about the design contracts that have been awarded for road landscaping, directional signage and entrance feature development. These designs are near completion and will be bid out for construction in spring 2004. SmithGroup JJR was issued a contract by the Board for roadway landscape design, directional signage and entrance features. Mr. Tenison stated that SmithGroup JJR prepared several concept designs for the entrance features. The designs were reviewed by Chairman Gorski and Member Goodwin and based on their feedback a final design concept has been developed that encompasses a high tech look but embraces the use of native materials. To obtain the best bid prices it is necessary to include this work in conjunction with the road landscaping project. That landscaping work should be bid as soon as possible to ensure obtaining the needed plant materials for construction this spring. Before the final plans are engineered and bid out additional feedback is requested of the other Board members. The awarding of the bid would come back to the board at the March 2004 meeting.

Mbr. Huizenga and Mbr. Gengler had suggestions regarding the designs that were presented. These included use of sod along the main access road and less prominent display of the logo in the entrance feature. Paul Wiese, SmithGroup JJR stated that it will take 4-6 weeks to revise the designs and turn them into a biddable specified legal document.

Mbr. Huizenga suggested that the bid process can be broken up into two parts, the grasses and other landscaping could be bid separate from the entrance monument. Mbr. Goodwin agreed and stated that the important thing is that there is a sign and that there is general consensus that the entrance feature is acceptable.

Mbr. Gengler stated that the landscape at Prairie Landing gives an appearance of being out of business and that the Board needs to be cautious of using natural plants and grasses for the landscape to avoid this at the Tech Park.

Chairman Gorski stated that there needs to be a decision as to whether or not the road will be dedicated to West Chicago and will the city be willing to maintain the landscaping or will that remain the responsibility of the Tech Park.

Mr. Wiese stated that one of the reasons for introducing these native grasses is to discourage the geese from feeding on this land. Another primary reason is the long term benefits of lower maintenance. Part of the bid package states that there will be 2-3 years of maintenance that will be purchased with the installation of the native plants. Mbr. Huizenga strongly suggested that the landscaping be manicured at the entrances of the Tech Park and that an irrigation system be put in. Mr. Wiese stated the cost of a sprinkler system for the entire roadway area would be approximately \$500,000.00.

Mbr. Huizenga agreed to work with Mr. Tenison and Mr. Wiese to go over options and come to some kind of agreement on the landscaping and entrance monuments.

Chris Burke, Christopher B. Burke engineering, Ltd. stated that on all of the plans that have been presented to the Board there is a bike path and that at some point should be constructed. This bike path would be paved and 10 feet wide and is consistent with the master plan that DuPage County has for a bike path. The cost of the bike path per side will be approximately \$200,000 or \$35.00 a linear foot.

Election of Secretary/Treasurer

Chairman Gorski stated that Mbr. Schmidt's term as a Director has expired and has been replaced by Dr. David Chicoine, Vice President for Technology & Economic Development of the University of Illinois. Mbr. Schmidt held the office of Secretary/Treasurer while serving as a Director. The Board of Directors desires to elect a Secretary/Treasurer to fill the vacancy left by Mbr. Schmidt pursuant to the By-laws of the Corporation.

Mbr. Goodwin nominated Mbr. Huizenga to assume the office of Secretary/Treasurer of the DuPage County Technology Park Corporate Resolution 2004-1. Seconded by Mbr. Gengler. Roll call vote: 3 ayes: Chairman Gorski and Mbrs. Gengler and Goodwin. Abstain: Mbr. Huizenga. No nays. Motion carried.

Mbr. Goodwin moved to approve Corporate Resolution 2004-2 Dr. Kenneth Schmidt be removed from the Corporation's MidAmerica Bank signatory list and Mbr. Huizenga be added to the Corporation's MidAmerica Bank signatory list. Seconded by Mbr. Gengler. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No Nays. Motion carried.

Report From Speaker Hastert's Office Regarding Argonne Funding

Mr. Tenison stated that Argonne National Laboratory has signed a temporary letter of intent with CenterPoint Properties to construct a research facility. Argonne would need funding from the federal government for experiments and to pay for the lease payments on an annual basis. That funding was proposed by Speaker Hastert's office to be put into the Transportation Reauthorization Bill. Since Argonne will be doing transportation research at that facility this is the most appropriate legislation. The Transportation Reauthorization Bill is under major discussion and one of the main issues is that Congress wants to spend about \$374 billion and the President wants to spend about \$270 billion. The appropriation amount needs to be resolved before the bill can move ahead. It is hopeful that this will be resolved in the first quarter of this year.

Mr. Tenison spoke with Bryan Harbin, Speaker Hastert's District Director and Mr. Harbin stated that he is highly confident that the funding is still on track and that Speaker Hastert's support is unwavering in terms of getting the funding for the Argonne facility.

Adoption of 2004 Operating Budget

Mr. Tenison presented to the Board information on what expenditures he projects over the coming year. Mr. Tenison pointed out that the capital projects are really dependent on how much progress has been made in terms of engineering on various projects and the status of the funding from the state.

The total grant allocation from the state was \$34 million and the amount that the Technology Park has received to date is about \$17.5 million. Money spent to date is approximately \$10 million, of the \$7.5 million left in the bank there is about \$4 million budgeted which leaves about \$3 million that has not been allocated. George Maurides, Maurides & Foley L.L.C. stated that out of the original \$10 million, \$4.2 million was paid to the city of West Chicago for water and sewer treatment capacity for the Tech Park. The state mandated that the Tech Park pay that amount to West Chicago on behalf of the airport for these utilities. Chairman Gorski stated that those were the sewer and water payments that the airport contracted under the IGA. Mr. Tenison projected that major construction projects for 2004 are close to \$12 million but of that \$4.6 million is allocated to the area south of Fabyan, which does not mean that the money necessarily will be spent in that area, it is a placeholder in terms of projecting where it could be spent.

Mbr. Huizenga moved to approve corporate resolution 2004-3 Approval of Operating Budget for the year 2004. Seconded by Mbr. Gengler. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Adoption of Service Agreement for Legal Services

Mr. Tenison stated that in accordance with the adopted purchasing policy of the Tech Park he publicly advertised in the Daily Herald a Request For Qualification (RFQ) for legal services. One response was received. The response was from Maurides & Foley, L.L.C. Mr. Tenison is recommending the firm of Maurides & Foley, L.L.C. be retained for the years of 2004 and 2005 based on the firms substantial experience with the development community, significant knowledge regarding the formation of the Technology Park, the response to the RFQ and the prior positive performance for the Technology Park. There was a 6% increase in the charges for services but there would be no increase in fees over the 2-year period. Mr. Tenison proposed a budget of a \$150,000 annually.

Mbr. Huizenga moved to approve corporate resolution 2004-4 Approval of Legal Services Agreement with Maurides & Foley L.L.C. Seconded by Mbr. Goodwin. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Adoption of Service Agreement for Accounting Services

Mr. Tenison stated that in accordance with the adopted purchasing policy of the Technology Park he publicly advertised in the Daily Herald a Request For Qualification (RFQ) for accounting services. Two firms responded to the RFQ, Wolf & Company the Tech Park's present consultant and Small Business Select, LLC.

Small Business Select proposed a monthly fee of \$608 for an annual cost of \$7,296 and indicated an increase of 4-6% in the second year. Wolf & Company proposed a monthly rate of \$625 for an annual cost of \$7,500 and indicated a proposed 5% increase in the second year. Mr. Tenison recommended awarding the contract to Wolf & Company for a

two year period in the amount not to exceed of \$7,500 in year one and \$7875 in year two based on the quality service provided by Wolf & Company last year, the organizational history and the time that would be necessary in transitioning accounting firms.

Mbr. Huizenga moved to approve corporate resolution 2004-5 Approval of Accounting Services Agreement with Wolf & Company L.L.P. Seconded by Mbr. Goodwin. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Easement Revision For Fiber Optics, Power, Landscaping, Entrance Features

Mr. Burke stated that the Second Addendum to Temporary Construction and Access Easement between DCTP and DAA is to further amend the easement to expand the scope and purpose of the easement to include the installation and construction of publicly owned utilities, landscaping and signage that benefit the development and future operation of the Tech Park within the original easement area.

Mbr. Goodwin moved to approve corporate resolution 2004-6 and authorize the Executive Director to execute a second amendment to the Temporary Road Construction and Access Easement Between DuPage County Technology Park, N.F.P. and DuPage Airport Authority in substantial conformance with the draft provided. Seconded by Mbr. Huizenga. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Recommendation Regarding Addendum to Harry W. Kuhn Contract for Completing Detention Pond E

Mr. Burke stated as part of the construction work associated with the road it was the hope to be able to complete a significant portion of stormwater detention Pond E. Harry W. Kuhn needed certain amounts of embankment materials for the road construction which could be taken from the potential pond area. For the most part this was done, however, certain borrow materials were not of the appropriate quality for use and the contour of the pond was not approved until late in the year. The contract addendum also addresses the issue with construction of duct bank on the west leg of the roundabout and construction of required gas main protection pads where the future ring road will cross the gas main. The price for the work to be performed will not exceed the gross amount of \$662,513.00. The Technology Park is to receive a credit of \$216,750 for embankment material used in the road construction, if all the work is performed, leaving a net amount of \$445,763.00, based on the estimated amount of materials used. This amount is based on the bid price received in the original bid by Harry W. Kuhn and the volume of materials used has been verified by Kudrna and Associates and Christopher B. Burke Engineering. Mr. Burke and Mr. Tenison are recommending approval of this addendum to finish the pond and perform the needed work related to the roundabouts. Mr. Tenison stated that the work proposed is based on low bid prices received and that this is based on the engineering in terms of volumes that there are right now, there may be some minor variations from that number based on volumes moved.

Mbr. Huizenga moved to approve corporate resolution 2004-7 and authorize the Executive Director to execute a fourth amendment to "Contract Document Number 01-294A for DuPage County Technology Park Main Access Drive-Phase II" in substantial conformance with the draft provided. Seconded by Mbr. Gengler. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Report Presentation and Recommendations Regarding Financial Controls

Mr. William Chapman, Wolf Capital LLC (WLC) provided an analysis of the financial and operational controls of the DuPage County Technology Park. The following procedures were performed:

- 1) Interviewed management regarding the existence of and responsibility for internal controls.
- 2) Access Adequacy of existing controls.
- 3) Review key contracts and related financial material.
- 4) Review execution of certain internal control procedures.

Mr. Chapman stated that given the size and nature of the Tech Park's operations, WLC was unable to maintain a segregation of duties which is a key feature of an effective system of internal controls, however, management has made considerable effort to put sufficient controls in place including:

- Checks greater than \$10,000 require two signatures.
- Report of all checks written is given to every Board Member on a bi-monthly basis.
- Bank statements are mailed directly to Wolf & Company Certified Public Accounts. Wolf & Company reconciles each bank account each month. The four bank accounts serve the purpose of segregating the county and state funds into a money market account and a cash operating account for each.
- Mr. Tenison is bonded as a check signer.
- The Tech Park is periodically reviewed by the Illinois Department of Commerce and Economic Development (DCEO).
- The Tech Park is audited annually by an independent Certified Public Account.
- Expenses are segregated by type for grant reporting purposes. For all checks over \$10,000, management creates a detailed memorandum describing the nature of the expenditure. Management then meets with the Chairman who then approves the expenditure and provides the second signature.
- Management keeps detailed records of cash outflows, including amounts paid-to-date and remaining amounts on contracts.
- Any contract over \$10,000 will require a public bidding. On contracts from \$3,000 to \$10,000, management can select the vendor, but must get two quotes. For any contract under \$3,000, management can select the vendor.
- Wolf prepares all quarterly payroll tax returns, W-2's and 1099's. Wolf prepares the quarterly DCEO reports based on information provided by the Tech Park. Wolf also prepares monthly adjusting journal entries to be posted to the general journal. These services provide a segregation of duties.

Mr. Chapman stated that WLC did not find any material flaws in the internal controls system of the Technology Park and to further strengthen the already strong controls that are in place WLC has made the following recommendations:

- All vendors should sign a document declaring they are not a lobbyist or have any direct or indirect interest in a lobbying organization.
- As Dr. Schmidt is no longer on the Board he needs to be replaced as an authorized check signer. All check signers should be bonded. (this is in the process)
- Mr. Tenison will revisit arranging for a collateral agreement with MidAmerica Bank to protect cash assets.
- Checks should have two signature lines and be imprinted with the phrase “checks over \$10,000 require two signatures”. Management should verify this policy with the bank.
- Relative to monthly accounting support, the management of the Technology Park should make affirmative declarations of responsibility for management decisions, supervision of outside contractors, adequacy of such services and maintenance on internal controls including monitoring activity. This can be accomplished through a revised engagement letter.
- Formal leases for office space should be executed between the DuPage Airport Authority and DuPage County Technology Park.
- Those Board members with check signing authority should be thoroughly familiar with the grant document and the Illinois First Guidelines. Memorandums describing the nature of expenditures should also describe its purpose and compliance with the grant and Illinois First Guidelines.
- The American Institute of Certified Public Accountant, through Statement of Auditing Standard NO.99 – Consideration of Fraud in a Financial Statement, requires the outside auditor to consider such issues. The Board should become familiar with the purpose and requirements of this new standard.

Financial Reports

Chairman Gorski requested an explanation from the state checking transaction detail report for the payment of \$3,000.00 to Abbott Land and Development. Mr. Tenison stated this payment covered consulting that Abbott Land provided to the Tech Park early in the year having to do with Argonne and some cost studies The Technology Park completed a number of studies about leasing the land while in negotiations with the DAA. The reason for these studies was to get expert advice as to what kind of return could be made for actual leasing of the land. One of the studies provided was that eight cases were developed based on various scenarios, the other was specific work that was being done with CenterPoint Properties and Argonne regarding some ideas that Mr. Tenison suggested. The previous payout was approximately \$14,000 in addition to the \$3,000. There are no more payouts anticipated for Abbott Land and Development.

Mbr. Huizenga moved to approve corporate resolution 2004-8 Review and Approval of DuPage County Technology Park, N.F.P. State Checking Account Detail for the Period

October 13, 2003 thru December 31, 2003. Executive Director and Chairman were authorized to execute, the Certification of State Checking Account Transactions. Seconded by Mbr. Goodwin. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Old Business

None

New Business

None

Adjournment

With no further business remaining before the Board, the meeting was adjourned to executive session at 7:20 p.m. on a motion by Mbr. Goodwin, seconded by Mbr. Gengler. Roll call vote: 4 ayes: Chairman Gorski and Mbrs. Gengler, Goodwin and Huizenga. No nays. Motion carried.

Respectfully submitted,

Patti Miller