



**PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON
JUNE 29, 2016**

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbcchicago.com

The Audit Committee Meeting of the Public Building Commission of Chicago was held in the Board Room on the 2nd Floor, Richard J. Daley Center on June 29, 2016 at 2:00 p.m.

The following Committee members attended

Commissioner Cabrera – Chairman *
Commissioner Samuel Wm. Sax, Member *
Commissioner Arnold L. Randall, Member *

Also attending:

Felicia S. Davis *
Lori Lypson *
Raven DeVaughn *
Mary Pat Witry *
Lisa Giderof
Eileen Ryan
Victor Sapozhnikov
Kim Smith
Bryant Payne
Kathy Galvin
Patrice Doyle
Karl Robinson
Jesse Rodriguez
Tanya Foucher-Weekly
Langdon Neal, Neal & Leroy *
Jeanette Sublet, Neal & Leroy *
Anne Fredd, Neal & Leroy *
Angie Cipolla, Deloitte
Allen Truesdell, Deloitte
Kathleen Candela, Deloitte
Robert Markin, Chico & Nunes, P.C.
Matthew Peterson – IG *
Kwosi K. Obeng – IG *
Jesse Escarpita – IG *
Sharon Jones *
Angeli O - PBC Intern
Joshua Hodge – PBC Intern
Shardonnay Tzul - PBC Intern

*Attended Executive Session

The meeting was called to order. The reading of the minutes of the January 26, 2016 meeting, which had previously been distributed, was dispensed with and upon motion duly made and seconded the minutes of said meeting were unanimously adopted.

Pursuant to Section 2.06(g) of the Open Meetings Act, a public comment period was held. No comments or statements were presented by any persons.

The PBC's Comptroller reported the Commission's Basic Financial Statements as of and for the Years Ended December 31, 2015, and 2014. The PBC's assets exceeded liabilities by \$74.1 million on December 31, 2015. The PBC's total net

position decreased by \$3.9 million and \$5.4 million for the years ended December 31, 2015 and 2014 respectively, due to decreases in project revenue that directly impact the Commission's administrative fee. The Comptroller reviewed the Comprehensive Annual Financial Report.

The Report from the PBC Comptroller was accepted by the Audit Committee.

Next, Kathleen Candela, Managing Director and Angie Cipolla, Senior Manager from Deloitte provided the required auditor communications related to the PBC's Audited Financial Statements for the year ended December 31, 2015. Of note, there were no audit adjustments, recorded or unrecorded. Deloitte further reported that there were no material weaknesses or significant deficiencies in the internal controls over financial reporting.

The report by Deloitte was accepted by the Audit Committee.

The PBC's Chief Operating Officer Lori Lyson reported on the proposed Amendment of the PBC's Remedial Program for M/WBE Firms. The Amendment proposes to extend the expiration date for the Program to December 31, 2020 with an interim review by the Board on or before December 31, 2017 and increase the aspirational goals from 24% to 26% for MBEs, and from 4% to 6% for WBEs based upon the findings of the 2015 Blanchflower report commissioned by the City of Chicago. The same program extension date and increase in aspirational goals were adopted by the City of Chicago earlier this year based upon the 2015 Blanchflower report.

Next, the Chief Operating Officer reported on the proposed adoption of the MBE/WBE Graduation Phase Out Program which provides that the credit Prime Contractors would receive for participation by M/WBEs with annual average gross receipts in excess of certain limits based upon the Consumer Price Index (Established Businesses) would be reduced from 75% to 25% for the first three years after a firm becomes an Established Business.

Finally, the Chief Operating Officer also reported on the proposed Amendment of the Canvassing Formula to increase bid credits from 50% to 70% for minority laborers, apprentices and journey workers and from 10% to 15% for female laborers, apprentices and journey workers.

The Chief Operating Officer's Reports were accepted by the Audit Committee

Kwasi K. Obeng, the Chief Performance Analyst from the Office of the Inspector General for the City of Chicago presented the PBC's First Quarter 2016 Report as follows;

The OIG received one complaint regarding the PBC during the preceding quarter and declined this complaint but referred the matter to its audit and program review section.

The office did not open or conclude any investigations regarding the operations of the PBC and reported a total of four active investigations. One investigation has been open for at least twelve months.

The Audit Committee accepted the report from the Office of the Inspector General.

2:36 pm Commissioner Sax arrived

An Executive Session was convened pursuant to 5 ILCS 120/2(29) for the purpose of presentation of Reports by Sharon Jones, Independent Monitor with O-H Community Partners, Ltd. for F.H. Paschen, S.N. Nielsen & Associates.

The Audit Committee reconvened and accepted the Reports of the Independent Monitor. The Audit Committee directed PBC legal counsel to advise counsel for the Contractor that there were no issues currently regarding compliance and that the Independent Monitor Reports would remain confidential.

The meeting was adjourned.

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