

**PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON
APRIL 9, 2015**

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 April 9, 2015 at 1:00 p.m.

The following Committee members attended

Commissioner Cabrera – Chairman *
Commissioner Samuel Wm. Sax, Member *
Commissioner Byron Brazier, Member *

Also attending:

Erin Lavin Cabonargi *
Paul Spieles *
Mary Pat Witry *
Lori Lypson *
Nikki Bravo *
Eileen Ryan
Ilyas Lakada *
Tanya Foucher-Weekly
Molly Sullivan *
Meghan Harte *
Langdon Neal, Neal & Leroy *
Jeannette Sublett, Neal & Leroy *
Peter Neumer, Office of Inspector General *
Sharon Fairley, Office of Inspector General *
Angela Cipolla, Deloitte
Kathleen Candela, Deloitte
Lester McKeever, Washington, Pittman and McKeever
Colette Holt, Colette Holt & Associates
James Blair, FH Paschen
Bob Markin, Chico & Nunes
Kurt Summers, City Treasurer
Danielle Mostert, City Treasurer's Office

* Indicates also attended Executive Session

The meeting was called to order. The reading of the minutes of the December 17, 2014 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 first report was provided by Kathleen Candela, the Lead Client Service Director for Deloitte & Touche. Kathleen introduced the Deloitte team in attendance. She presented a report entitled "PBC 2014 Audit Service Plan." The report described the audit planning process that will be undertaken for the year ending December 31, 2014. Deloitte described

the client service team, their corporate audit approach, significant risks that must be considered during the audit, required communications for the Audit Committee, a 2014 Audit Timetable, a Technical Update, Independent Communications and a Summary of Communications and Topics of Discussion with the Audit Committee. Timely completion of the audit is anticipated.

The Committee accepted the report.

Next, Nikki Bravo, the Chief Administrative Officer for the PBC presented a Report on the amended and restated PBC Investment Policy has not been updated in a number of years. The Policy sets forth the policies and guidelines governing investments of all public funds held by the PBC.

Nikki Bravo also reviewed an Intergovernmental Agreement (IGA) with the City of Chicago, Office of the City Treasurer and the PBC regarding Investment Portfolio Management services. The Office of the City Treasurer and members of the PBC staff have recently begun discussions of a collaborative effort to provide certain services with respect to a portion of the PBC's investment portfolio. Pursuant to the IGA, the Office of the City Treasurer will seek to maximize the returns of PBC assets and will recommend asset allocation strategies in accordance with applicable law, advise the PBC regarding cash flow needs and risk tolerances, prepare an investment plan to achieve the PBC's goals, advise the PBC on current market test and financial market conditions forecast and prepare performance reports of financial activity. The PBC will be required to reimburse the City Treasurer for costs directly attributable to the services to be provided, inclusive of a Bloomberg Terminal and 20% of a CTO staff member's time, but at no time shall exceed 50% of the total investment revenue generated.

City Treasurer, Kurt Summers, Jr. was present at the meeting and addressed the committee and indicated that the Office of the City Treasurer had entered into similar shared services partnerships and successfully performed on behalf of the Chicago Park District, Chicago Public Schools and the City of Chicago

The Audit Committee approved the amended and restated Investment Policy and the IGA with the City Treasurer.

Next, an Executive Session was convened under Section 5 ILCS 120/2 (c) (11) of the Open Meetings Act to discuss potential litigation.

Langdon Neal, PBC's Legal Counsel advised the Audit Committee regarding the status of a proposed settlement agreement with a general contractor regarding MBE utilization at two projects. At the conclusion of the Legal Counsel report the committee invited representatives from F.H. Paschen, S.N. Nielsen & Associates to present to the Committee. Invited to join the meeting were Bob Markin, Chico & Nunes, Colette Holt of Colette Holt & Associates and James Blair of F.H. Paschen. Both Mr. Blair and Ms. Holt provided statements and a discussion took place.

At the conclusion of the Executive Session, the Audit Committee reconvened into open session and accepted the recommendation of Legal Counsel to approve the proposed settlement. The settlement agreement will be presented to the full board on April 14, 2015.

Thereafter, the meeting was adjourned.