

Minutes of the Property Committee Meeting

The Property Committee of the McLean County Board met on Thursday, March 4, 2004 at 3:00 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Chairman Bostic, Members Selzer, Harding, Dean, Ahart and Moss

Members Absent: None

Staff Present: Mr. John Zeunik, County Administrator;
Ms. Lucretia Wherry, County Administrator's Office

Department Heads/
Elected Officials

Present: Mr. Jack Moody, Director, Facilities Management Department;
Mr. Bill Gamblin, Director, ETSB

Members of the

Public Present: Mr. Greg Koos, Director, McLean County Museum of History;
Mr. Kevin Crutcher, Coffee Depot

Chairman Bostic called the meeting to order at 3:05 p.m. Chairman Bostic called the roll and declared that a quorum was present.

Chairman Bostic presented the Minutes of the February 5, 2004 Property Committee meeting. Hearing no objections or corrections, Chairman Bostic accepted and placed the minutes on file as submitted.

Mr. Jack Moody, Director, Facilities Management, presented a proposal to lease space to Mr. Kevin Crutcher for a Coffee Kiosk in the lobby of the McLean County Law and Justice Center. Mr. Crutcher advised the Committee that he had originally contacted Mr. Zeunik four years ago with this idea. However, due to personal issues, Mr. Crutcher stated that he was not able to pursue the idea. Now, Mr. Crutcher stated that he is in a position to revisit the idea.

The kiosk would be on the west wall in the lobby of the Law and Justice Center. Limited seating would be made available. Coffee and non-coffee drinks will be available along with bagels, muffins, donuts and fruit. Catering would be available for meetings. Hours of operation would be 7:30 a.m. to 1:30 p.m. Prices would, hopefully, fall below those of the competitors.

Ms. Harding asked what is the risk to the County. Mr. Crutcher replied that there is no risk to the County. Ms. Harding asked what is the space currently used for. Mr. Moody replied that currently the only time the space is used is for election activities. If the

Government Center is opened on time, this will not be an issue after March 16th because the County Clerk's Office will have moved to the Government Center prior to the November 2004 Board Meeting. Mr. Crutcher added that he is working on bids for the electrical work that would be needed. If electrical can not be installed, the Coffee Depot would consider using a cart instead of a more permanent bar. Preparations could begin within two weeks of County Board approval. Mr. Moody added that the plaques currently hanging on the east wall would have to be moved. Mr. Moody suggested that the plaques be moved to the west wall. Mr. Zeunik stated that a lease agreement would need to be drawn up between McLean County and the Coffee Depot to define space, liability, etc.

Mr. Selzer stated that he agrees that this a nice service to offer. Mr. Selzer asked if the County needs to request bid proposals. Mr. Selzer asked a policy question: does the County want to offer retail space. Mr. Selzer noted that allowing a business into the Law and Justice Center will have repercussions on other County Facilities. Mr. Zeunik stated that the Law and Justice Center has the most visitor's and employees. This will remain true even after the Government Center is open.

Chairman Bostic asked if the coffee kiosk would interfere with building security. Mr. Moody replied that the space has been measured and a coffee kiosk would not interfere with security.

The Committee discussed a fee for allowing rental of a retail space. Mr. Crutcher stated that ATM's pay out a 5% fee, however he doesn't know what would be appropriate for a retail space. Mr. Greg Koos, Director, McLean County Museum of History, stated that museums deal with these kinds of request all the time. It is typical for a museum to receive a percentage of the gross for building maintenance costs.

Mr. Moss asked if there is an obligation to open this opportunity to others. Mr. Zeunik replied that the State's Attorney's Office has not reviewed this request. However, since the County is not investing any money in this project, it is a matter of County Board policy as to whether or not this request should go through a competitive bid process. Mr. Crutcher is the only person to approach us with this idea. At the time the lobby of the Law and Justice Center was expanded, Starbuck's met with the County Administrator's Office and Facilities Management to discuss the possibility of opening a Starbuck's. Starbuck's was open to the idea. However, if Starbuck's opened a retail store in downtown Bloomington, the franchise in the Law and Justice Center would be closed.

Mr. Selzer stated that others might welcome the opportunity to rent retail space if they knew that the opportunity is available to them. The Coffeehound or Bevande may be interested. Mr. Selzer asked if allowing a coffee kiosk would take away from our

vending machine sales. Mr. Moody replied that the coffee kiosk would not be allowed to sale any items that are currently provided by Redbird Vending.

Ms. Ahart stated that the County could look at this request as a pilot program and develop a policy based on the results. Mr. Selzer indicated that he would prefer to have a policy in place prior to allowing someone to rent space. Chairman Bostic reminded the Committee the both parties would be tied to a lease. Mr. Selzer stated that the lease would have to be for more than one year in order for Mr. Crutcher to recover set up costs.

Mr. Moss stated that he would like the State's Attorney's to review the request and legal implication of not having a competitive bid process. Mr. Selzer stated he would like to set a policy regarding the rental of retail space in County owned buildings.

Ms. Harding stated that she thinks it's a great idea. However, the Committee should make sure that the process is done correctly. Mr. Selzer stated he would like to see a percentage of the gross paid to the County.

Mr. Moody added that the dining room in the Government Center is very nice. The service line and decorations are all in place, but the kitchen has been gutted and stripped of all appliances. Mr. Moody added that he would request the State's Attorney Office to review the request and offer an opinion as to whether or not a competitive bid process should be done. Mr. Moody will bring the State's Attorney's response back to the Committee next month.

Motion by Selzer/Moss to table the request for a Coffee Kiosk in the lobby of the Law and Justice Center to the April meeting pending a response from the State's Attorney's Office. Motion carried.

Mr. Moody presented an update of the status of the sale of the McBarnes Building. All revenues have been received from the sale, minus the costs for the title and survey for the easements. All rent has been received through February 2004. There are a few remaining utilities bills outstanding, however, the bills have not been received as of yet.

All contractors have been notified of the sale. The names on the utilities have been switched to Mr. David Bentley. All keys, documents, and manuals have been turned over.

Mr. Moody presented an update on the status of the McBarnes Memorial Plaque. The restoration of the plaque is complete. The plaque is now being stored in the basement of the Historical Museum. Facilities Management Staff are working with Mr. Jeff Koerber, Wiss, Janey, Elstner, Mr. Koos, and Professor Randy Reed, ISU, to insure that

the plaque is correctly installed. The plaque will be hung in time for a rededication ceremony on Memorial Day weekend. The Committee discussed recognizing the Veteran's Organizations and the families of individuals listed on the Memorial Plaque. Mr. Koos stated that most of the men listed on the plaque died too young to have families of their own. It is more likely that the great nephews and nieces are still in the area to be contacted, than it is to find children or great-grandchildren. Mr. Moody stated that the plaque would take two days to install.

Mr. Moody reported that work continues on the Government Center. The fourth floor is currently being painted. The Government Center is on schedule.

The list of repairs on the Law and Justice Center is down to nine items. Felmley-Dickerson is set to begin the brickwork on the west exterior wall of the building. The offices in that area will not have to be vacated. The concrete is scheduled to be poured outside of the Sheriff's Office. This was delayed until the work on the fire pump was completed. Some records have been returned. The basement needs to be tiled. All codes concerns have been satisfied, however, there are still the legal ramifications of the explosion to be dealt with.

Mr. Dean asked what happened to the emergency generator. Mr. Moody replied that a truck backed into it during the icy weather. Luckily, the damage was to the outside housing of the generator. The truck driver's insurance is taking care of the repair costs. Once steel pylons are installed, the generator will be protected from future accidents.

Mr. Bill Gamblin, Director, E-911, stated that voice over IP technology is now available in McLean County. This allows a personal computer to become a telephone, which is a problem for E-911. With voice over IP technology there no E-911 surcharge and there is no address and phone number information provided to the dispatcher..

Mr. Gamblin presented an update on Part 725 of the ICC Order. Revision began on the Administrative Rules, but due to technology advances, an entire rewrite of the Part 725 had to be done. It has taken fifteen months to complete and is on the ICC docket in April. Part 725 spells out the ground rules for building security. There is money in the 2004 - 2005 budget for bringing the MetCom building up to code. Significant upgrades need to be done on the windows and doors. Most likely, ETSB will hire an expert to conduct a study of the building and to bring it up to current code.

Mr. Selzer asked if MetCom has considered moving costs versus renovation costs. Mr. Gamblin replied that the MetCom building was purchased through the Public Building Commission (PBC). The final payment will be made to the PBC this year. Ms. Harding asked where is the building located. Mr. Gamblin replied that the building is located at 2411 East Empire in Bloomington. Ms. Harding asked why that particular location was

picked. Mr. Gamblin explained that the location was picked because of the ability to use a separate circuit for the phone lines if necessary. The location on Empire offers diverse routing over primary Verizon trunk lines. Ms. Harding stated that it sounds like a good location. Mr. Gamblin stated that he would keep the Committee updated on the necessary upgrades to the MetCom Building.

Mr. Zeunik presented a Report on the Financing of the Renovation and Restoration of the Dome and Roof Areas of the McLean County Courthouse Project. The low bid was presented by Kajima Construction for \$840,735.00. Wiss, Janey and Elstner (WJE) suggested that a 15% Construction Contingency be added, which is an additional \$126,110.00. If the Committee agrees to the suggested Alternatives (1,2,3,4,5,and 7), another \$204,635.00 is needed for a grand total of \$1,171,480.00. The Illinois Public Museum Grant award to McLean County is for \$500,000.00. The Architect's fee is \$93,500.00 leaving \$406,500.00 available funding from the grant for the project. There is a \$764,980.00 shortfall.

The Committee has three options. 1) Reject all of the bids and request that the architect prepare a new set of bid specifications limiting the scope of the project work and re-bid the project. 2) Accept the low base bid including the construction contingency as submitted by Kajima Construction and request that the architect negotiate with Kajima to reduce the scope of the project to fit within the base bid. 3) Accept the low base bid including the construction contingency and alternatives 1,2,3,4,5,and 7 as submitted by Kajima Construction and recommend that the County Board award the contract for restoration and renovation of the dome and roof areas of the Old County Courthouse.

If the Committee decides to proceed with Options 2 or 3, additional funding will be required to complete the project. There are two alternatives for funding. 1) The sale of the McBarnes Memorial Building will net the County less than \$200,000.00 after closing costs and open receivables due to the General Fund. The Committee can recommend that 100% of the net proceeds from the sale of the McBarnes Memorial Building be applied to the restoration and renovation of the dome and roof areas of the Old County Courthouse. However, there would still be a shortfall.

In order to address the shortfall, the Committee could recommend approval of an Emergency Appropriation from fund equity in the County's General Fund. At this time during the fiscal year, an Emergency Appropriation of this size would have a significant negative impact on the County's cash flow. A second option is that the Committee could recommend approval of a loan from the Public Building Commission. A loan would be structured for a fixed term of ten years at a tax-exempt interest rate. The loan would be repaid through an annual appropriation in the Old Courthouse Program in the Facilities

Management Departmental budget. For either option, there would be an increase in the property tax levy.

The PBC would fund the project through their unencumbered fund balance, which was earned during the expansion of the Law and Justice Center. The PBC originally sold \$8 million in tax exempt bonds to build the Law and Justice Center when there were no arbitrage limits on investments. The PBC was able to keep all earnings.

Chairman Bostic asked if the balustrades could be done with the exterior work to the building instead of during the renovation to the roof and dome. Mr. Koos explained that the scaffolding would not be a problem for the balustrades, but the crane would have to be brought back. Cranes rent for \$1,000.00 a day. Mr. Moss asked how many alternatives were not included in the recommendation. Mr. Zeunik replied that three alternatives were not included. Mr. Moss asked why those three were not included. Mr. Zeunik replied that the other alternatives would add an additional \$65,000.00 to the project.

Mr. Selzer stated that the County is committed to the project, too much is invested to walk away now. The Committee needs to decide how to fund the shortfall. Mr. Selzer suggested that the funds be borrowed from the PBC for 17 years so that the term would expire at the same time the lease with the Historical Museum ends at the Old Courthouse. Mr. Selzer suggested that all alternatives be considered.

Chairman Bostic asked why the repair to the flagpole is credited. Mr. Moody explained that at the time of the bid, Kajima had not received price information for the supply and installation of the flagpole. The information included in the bid dealt only with the credit for not cladding the existing metal. The cost for installing a new flagpole is unknown. Chairman Bostic stated that the 15% contingency for construction could cover the installation of a new flagpole.

Mr. Dean asked why a contingency is needed if the bids are good. Chairman Bostic explained that when working on a historical structure, you never know what might be found once work begins. Mr. Selzer asked how much of the contingency was used during the 200 W. Front Street Building repairs to the exterior walls project. Mr. Moody replied that \$20,000.00 of the \$30,000.00 budgeted was used. Mr. Moody added that the contingency fund allows the project to continue moving on schedule when a problem is found. If a problem was found and the Construction Company had to notice the Property Committee and the County Board, the project could be halted for six weeks. Mr. Moss asked if the flagpole could be replaced at another time. Mr. Koos replied that the replacement of the flagpole requires scaffolding be in place. The flagpole would need to be replaced during the restoration to the roof and dome. The cost for the flagpole is between \$600.00 and \$1300.00. Mr. Moss asked what is the difference

between alternative 2 and alternative 8. Mr. Koos explained that alternative 2 is for the stabilization of the drum of the dome instead of repairing the drum, which is alternative 8. While stabilizing the drum of the dome will only last 5 to 10 years, it will allow the County to see what the costs for future repairs will be. Mr. Moody stated that he would invite Mr. Koerber to discuss the alternatives. Mr. Selzer asked why some of the alternatives were not included. Chairman Bostic replied that not all of the alternatives were included because the Committee asked the architect to prioritize the work.

Mr. Moss asked if the Committee would like to address WJE regarding the poor estimate. Chairman Bostic suggested that the Committee ask that Mr. Koerber's employers address this issue. Mr. Koos replied that Mr. Koerber has taken responsibility for the misunderstanding. He reminded the Committee that the scope of the project is not expected to run higher than the \$2.8 million originally quoted.

Mr. Selzer asked if there has been any money returned to the State from the Illinois Public Museum Grant. Mr. Moody replied that the State has notified him that no money has been returned. If, at some point, there are some funds returned to the State, the money would add to the grant funds available for the next fiscal year. McLean County is not eligible for grant money in the next fiscal year.

Mr. Moody stated that WJE did make an error in the bid specifications. Mr. Moody made it explicitly clear that WJE has lost the trust of the County. WJE should have been up front that the scope of this project would cost more than was available in the grant.

Ms. Harding stated that she is not ready to make a decision as to how the net proceeds from the McBarnes Building should be used. There is a lot of interest in the proceeds. Ms. Harding asked if the PBC would be willing to fund the full amount of the shortfall. Mr. Selzer asked Mr. Zeunik to clarify where the proceeds from the McBarnes Building would go if not earmarked for the Old Courthouse. Mr. Zeunik explained that the net proceeds from the sale of the McBarnes Building would be added to the General Fund.

Motion by Selzer/Harding to recommend approval of the low bid submitted by Kajima, the 15% Construction Contingency, and to recommend approval of the alternatives and the addition of the internal flagpole and to direct the County Administrator to request that the PBC loan the entire shortfall. Motion carried.

Mr. Zeunik stated that he would speak to the PBC and present the information at a Stand-Up meeting prior to the March County Board Meeting.

Mr. Selzer asked the Committee if the Committee feels that the State's Attorney's Office should review the contract for Professional Services between McLean County and WJE. Chairman Bostic stated that the error was in communication, not work. Mr. Moody added that the estimate did not include a break out for each individual project. Mr. Selzer asked how the Committee could be sure that the remaining work will come in at or near the estimate. Mr. Koos stated that the dome is the least accessible and hardest part of the project to estimate costs for. The remainder of the work is more accessible and there should be little surprise in the costs. The Committee discussed whether to hold WJE accountable for the error. Chairman Bostic stated that the first \$90,000 paid to WJE was well spent in defining the repairs that need to be done. The architect's fee of \$90,000 for the renovation and restoration of the dome and roof areas is in question. The Committee agreed that the State's Attorney should review the contract for Professional Services with WJE. Mr. Selzer stated that the Architects have an errors and omission insurance policy to cover themselves when errors such as this are made. The Committee agreed to ask WJE to come down to verify the estimate given by Mr. Koerber on the remaining project.

Chairman Bostic presented the bills, which have been reviewed and recommended for transmittal to the Property Committee by the County Auditor.

Minutes of the Property Committee Meeting
March 4, 2004
Page Nine

Motion by Harding/Moss to recommend approval of the bills as of February 29, 2004, which have been reviewed and recommended for transmittal by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Bostic adjourned the meeting at 5:15 p.m.

Respectfully submitted,

Lucretia Wherry
Recording Secretary

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