

Minutes of the Property Committee Meeting

The Property Committee of the McLean County Board met on Thursday, October 5, 2000 at 4:30 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Chairman Segobiano, Members Pokorney, Hoselton, Bostic

Members Absent: Member Emmett

Staff Present: Mr. John M. Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Martha B. Ross, Executive Secretary, County Administrator's Office

Department Heads/
Elected Officials

Present: Mr. Jack Moody, Director, Facilities Management

Chairman Segobiano called the meeting to order at 4:30 p.m. Chairman Segobiano presented the minutes of the September 7, 2000 meeting for approval. The minutes of the September 7, 2000 meeting were approved as presented and placed on file.

Mr. Jack Moody, Director of Facilities Management, presented the annual tenant leases for renewal for the Fiscal Year 2001. Mr. Moody stated that there are eight (8) leases scheduled for renewal, with each tenant experiencing a five percent (5%) increase in rent in order to offset higher operating and maintenance costs.

Chairman Segobiano stated that the Summary of Lease Renewals for Year 2001 is very helpful. He noted that he had discovered some inconsistencies in some of the Lease Agreements. He noted the following: a change in the United Way's lease agreement regarding the decoration of facilities; a lease provision regarding hazardous materials appears in all lease agreements but one; and confusion with regard to the Regional Office of Education and the GED Adult Literacy Program.

Chairman Segobiano stated that the annual rents are the primary changes in the rental agreements. He suggested that there be one standard lease agreement, with the addition of the square footage of each location, and the annual rent amount for each property being added for each lease.

Chairman Segobiano asked whether Mr. Moody could have the revised leases ready for the County Board meeting on October 17, 2000. Mr. Zeunik stated that the leases would be revised according to the items discussed by the Committee, and would be ready for Committee review at a Stand-Up meeting immediately prior to the October County Board meeting.

Mr. Hoselton stated that the amounts of the various proposed rents are acceptable. However, he asked whether the County would receive credit for the expense of the Regional Office of Education ("ROE") when its share of the office allotment is determined. Mr. Lindberg responded that all three (3) Counties served by the ROE are paying their share of the cost as appropriate.

Mr. Moody stated that the Regional Office of Education has a lease for their facilities and the GED Adult Literacy Program ("GED") has a separate lease. Ms. Bostic asked whether the GED lease amount is split proportionately between the 3 counties, or whether it is paid solely to McLean County.

Chairman Segobiano noted that the County is in compliance with State statute. There is no requirement for the County to provide office space to GED. Rather, he noted, GED is renting space from ROE. Mr. Zeunik stated that GED is a part of the ROE, and their services are regional in scope.

Mr. Hoselton asked whether the **\$17,058.76** annual maintenance and operating expense amount listed in the lease is factored into the ROE's lease. When the Regional Office of Education moved to the **Fairview** Building location, it was determined that the ROE, by itself, could not afford the amount of space. Mr. Gene **Jontry**, Regional Superintendent, explained that that he had access to other sources of funding, which helped the ROE afford larger facilities.

Mr. Hoselton asked whether the **\$17,058.76** figure is what the County pays to maintain a facility for GED. Mr. Zeunik stated for clarification that there are two (2) distinct amounts paid to the County: GED pays one and one is paid by ROE.

Chairman Segobiano stated that it is necessary to keep the revenue from ROE separate from the revenue from GED. In the event that the County should need additional space, the GED lease may be terminated.

Motion by **Hoselton/Bostic** to accept the Summary of Lease Renewals for Year 2001.

Mr. Pokorney asked whether the ROE pays any rent. Mr. Moody responded that, as stated in Paragraph 2 of the Rental Agreement between the County of McLean and the Regional Office of Education, the ROE is assessed an annual operating expense amount, as opposed to a rental amount.

Mr. Pokorney asked whether this was similar to the arrangement with The Children's Advocacy Center (CAC). Mr. Moody responded that it is the same type of arrangement. He explained that he bills the offices monthly for the actual expenses incurred, and that rates fluctuate seasonally as a result of utility variances.

Mr. Pokorney asked whether the difference between CAC and **ROE/GED** is that CAC is billed on an "as incurred" basis, and **ROE/GED** are billed on a "stated" basis. Mr. Moody responded that the assessment was correct. The Auditor's Office bills ROE\GED at the end of each month for the expenses incurred.

Mr. Pokorney asked how all of the leases could be made alike, in view of the way rental amounts and maintenance and operating expenses are assessed and collected. Mr. Moody responded that all of the leases could be made alike, with the exception of the paragraph that deals with either a rental amount or maintenance and operating costs. Those paragraphs can be customized.

Chairman Segobiano stated that the **McBarnes** Building might need an "Addendum" to address the utilization of the common area. In fact, he stated, it might be necessary to provide an addendum for all leases in order to customize them from the standard form.

Chairman Segobiano announced that there would be a Stand-Up meeting of the Property Committee, immediately prior to the October County Board meeting to review the new drafts of the Tenant Lease Renewals for Fiscal Year 2001. He also stated that the leases would be available in the County Board packet for the Committee's review, prior to the Stand-Up meeting.

Mr. Moody stated, by way of information, that the re-roofing of the Glasner Beach House at Comlara Park is finished. He noted that the project turned out well.

Chairman Segobiano asked Mr. Zeunik to present the budget for the programs under the auspices of the Facilities Management Department. With regard to the Juvenile Detention Center, the total Recommended Fiscal Year 2001 Budget is \$155,079, which reflects a 9.06% increase over the Fiscal Year 2000 Adopted Budget. Mr. Zeunik stated that the increase is due primarily to the increase in personnel costs and medical benefits for employees.

Mr. Zeunik noted that there was an 11% increase in salaries and that the proposed amount for salaries is **\$39,044.00**. He explained that the primary reason for the increase is the implementation of the changes recommended by the PAS study. Mr. Zeunik stated that, for the current year, fringe benefits were budgeted at **\$1,800.00** per FTE for the medical insurance program. For the 2001 year, the amount will increase to **\$2,100.00** for medical benefits.

Mr. Zeunik explained that the Commodities Expense line items experienced an overall decrease of 3% over the 2000 Adopted Budget.

The Contractual line items show expenses as constant. The largest expenses are equipment maintenance contracts, which showed a 35% increase over the 2000 Adopted Budget. One other area of large cost is utility cost. Because the Juvenile Detention Center operates 24 hours per day, 7 days per week and 365 days per year, there is a large demand for utility service.

Chairman Segobiano inquired about the probability of rising natural gas prices that are projected for the upcoming winter of 2000 – 2001. Mr. Moody explained that the current contract with NICOR to provide natural gas is a 2-year contract, setting the price per therm at .266 cents, which is approximately half of the price without the contract. That contract price will expire on June 30, 2001.

Mr. Hoselton inquired about the status of the contract with Simplex Fire Security. Mr. Moody responded that the dollar amount for this contract has increased over last year, with a new security service component added this year.

Mr. Zeunik stated that when the County leased bed space to other counties, the income that was derived from those leases could be utilized to cover 100% of the expense for the JDC professional staff and all of the maintenance expense. However, since the number of beds leased has fallen dramatically, the income derived from that activity is substantially reduced, and the General Fund must cover the additional amount. In the past, Mr. Zeunik explained, the number of beds leased ranged between 8 and 10. Currently, the number of beds leased ranges between 2 and 3, primarily due to the fact that the needs of McLean County are increasing and the space is therefore being utilized and not available to be leased.

Mr. Pokorney noted that there is a salary increase in the part time positions at the Juvenile Detention Center (JDC). Mr. Lindberg responded that the number of personnel remains the same, and that the increase is a result of the implementation of the PAS study's salary recommendations. He noted that such implementation has had an immediate positive effect in that maintenance and custodial positions that had been vacant for months are now filled and the high rate of employee turnover has been abated.

Mr. Pokorney asked whether the salary adjustments as a result of the PAS study primarily favor the part time positions. Mr. Lindberg responded that there is a more observable increase in the part time positions.

Motion by **Hoselton/Pokorney** to tentatively approve the Fiscal Year 2001 Recommended Budget for the Juvenile Detention Center – Facilities Management, and submit it to the full Board for approval. Motion carried.

Mr. Zeunik presented the Fiscal Year 2001 Recommended Budget for Metro McLean County Centralized Communications Center (**MetCom**) and noted that it is fully funded. He stated that revenue and expenses are projected to be **\$100,623.00**.

Mr. Zeunik explained that many of the services provided to **MetCom** are provided on a part time basis using existing staff, and that the employee benefit expense is for the full time compliment. That expense is expected to increase nearly 17%. He also explained that another large expense is

for fuel for the emergency generators, which is expected to experience a 36% increase, and the UPS battery replacement, which is required every three (3) years. Other large expenses resulting in increases over the 2000 Adopted Budget are: garbage disposal services, contractual services, generator maintenance, and outside contractors.

Motion by **Pokorney/Bostic** to tentatively approve the Fiscal Year 2001 Recommended Budget for METCOM – Facilities Management, and submit it to the full Board for approval. Motion carried.

Mr. Zeunik presented the Fiscal Year 2001 Recommended Budget for the 200 West Front Street Building and stated that this budget is fully funded. He noted that the revenue this year is projected to exceed the operating costs. In the 800 budget lines regarding capital expenditures, there is a surplus amount which will be held over for the upcoming year.

Mr. Zeunik explained that the primary source of revenue is the utilities and maintenance reimbursement received from the Health Department and the TB Care and Treatment Clinic. The balance of revenue is from the tenants. Additionally, there is revenue received from renting the parking spaces in the Annex Parking Lot adjacent to the building.

Mr. Zeunik stated that one area of increased expenditure is the expense for parking, which is based upon a negotiated lease payment due to the City of Bloomington for the Annex Parking Lot. A third area of projected increase in expenditure is the area of Equipment Maintenance Contracts, which is expected to increase 4% overall.

Mr. Moody explained that the parking lot utilized by McLean County employees has a new 5 year contract, with the monthly rental amount at \$25.00. At present, he stated, the lot is full, there is a waiting list of nine (9) people, and the waiting list is expected to grow.

Motion by **Bostic/Pokorney** to tentatively approve the Fiscal Year 2001 Recommended Budget for the 200 West Front Street Building and Facilities Management and submit it to the full board for approval. Motion carried.

Mr. Zeunik presented the Fiscal Year 2001 Recommended Budget for the Old Courthouse Maintenance Program. He noted that this program does not pay for itself. The sole source of revenue for this budget is derived from the annual rent payment of **\$10,000.00** which is paid to McLean County by the McLean County Historical Society. This amount is based upon a thirty (30) year lease, which secures the annual rent payment at a constant rate.

Mr. Zeunik explained that the maintenance of the Old Courthouse building is an expensive program, with the major expenses being identified as equipment maintenance contracts and utilities.

Chairman Segobiano stated that the current arrangement is very lucrative for the Historical Society. He asked whether Mr. Steve Wannamacher, Chairman of the Board of Directors of the McLean County Historical Society, would be willing to address the Property Committee regarding the escalating costs of the utilities and manpower at the Old Courthouse.

Mr. Zeunik stated that future costs will continue to increase at the Old Courthouse. There are twenty (20) more years remaining on the term of the current lease. He explained that the deterioration of the dome and the exterior of the building, due to age, would also continue and need to be addressed. He stated that the County couldn't fund this expense through the annual operating budget. One option might be to ask the voters to authorize a bond issue.

Chairman Segobiano stated that Mr. Steve Wannamacher wants open lines of communication. He further stated that he would like to establish a dialogue between the Committee and the Historical Society, with regard to escalating costs and how to address them.

Ms. Bostic asked whether the City of Bloomington would anticipate making the Old Courthouse a part of their new Cultural District. Mr. Zeunik responded that currently the City of Bloomington simply writes a check for their contribution, without further commitment to the building.

Motion by **Bostic/Hoselton** to tentatively approve the Fiscal Year 2001 Recommended Budget for the Old Courthouse Facilities Management, and submit it to the full Board for approval. Motion carried.

Chairman Segobiano announced that the next meeting of the Property Committee is set for Wednesday, October 25, 2000 at 4:00 p.m. The purpose of the meeting will be to review the remainder of the budgets under the jurisdiction of the Property Committee. An additional agenda will be mailed to Committee Members prior to the meeting.

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

Motion by **Bostic/Pokorney** to approve payment of the bills as presented by the County Auditor. Motion carried.

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

Respectfully submitted,

Martha B. Ross
Recording Secretary