

Minutes of the Property Committee Meeting

The Property Committee of the McLean County Board met on Thursday, October 3, 2002 at 4:00 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Vice Chairman Bostic, Hoselton, Selzer, Nuckolls and Owens

Members Absent: Chairman Salch

Other Board Members
Present: None

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

Department Heads/
Elected Officials
Present: Mr. Jack Moody, Director, Facilities Management

Others Present: Mr. Mike Sparks, The Farnsworth Group

Vice Chairman Bostic called the meeting to order at 4:01 p.m. and stated that Chairman Salch would not be present at the meeting. Vice Chairman Bostic called the roll and declared that a quorum was established.

Vice Chairman Bostic presented the minutes of the September 5, 2002 and September 17, 2002 meetings.

Motion by Owens/Nuckolls to recommend approval of the minutes of the September 5, 2002 meeting and the September 17, 2002 meeting.
Motion carried.

Vice Chairman Bostic called Mr. Don Lee, Administrator, McLean County Nursing Home, to present his report. Mr. Terry Lindberg, Assistant County Administrator, stated that Mr. Lee would not be present at the meeting, but that one information item was submitted by his department. The item is a schedule of the bid process for janitorial products, paper and plastic supplies that are purchased by the Nursing Home under a consolidated bid and then are utilized throughout the year by all County offices and departments. He noted that this issue would come to the Committee for action when all of the bids have been received.

Vice Chairman Bostic called Mr. Bill Gamblin, Administrator, Emergency Telephone Systems Board ("ETSB"), to present his report. She noted that Mr. Gamblin was not present at the meeting, but relayed his message to the Committee by stating that he has no additional news regarding the Part 725 upgrade of the MetCom Center building.

Mr. Jack Moody, Director, Facilities Management, presented nine (9) proposed annual leases for various County facilities to be considered for renewal. He stated that all of the leases expire on December 31, 2002. Located on the first floor of the McBarnes Building, are the offices of the United Way of McLean County and the Veteran's Assistance Commission. The offices of PATH Crisis Center are located on the second floor. The following offices are located at the County's Fairview Building: Regional Office of Education; GED Adult Education Literacy Program; and, YWCA of McLean County, Senior Services Program. The following offices are located within the Health Department Building, which is located at 200 West Front Street: Bloomington Board of Election Commissioners; the Institute for Collaborative Solutions, Inc. ("AVERT"); and, the Children's Advocacy Center.

Mr. Moody stated that a copy of each proposed tenant lease, as well as the proposed rental amounts for Fiscal Year 2003 is included in the Committee's agenda packet.

Motion by Selzer/Owens to recommend approval of all proposed tenant leases, as submitted.

Mr. Selzer noted that, with regard to the United Way lease, the monthly rental rate appears to be lower than those of the other tenants. However, the United Way utilizes 2,835 square feet on the first floor of the McBarnes Building and 828 square feet in a contiguous basement storeroom space located directly below the first floor tenant space. He asked what the difference is in the rates for the two spaces. Mr. Moody responded that the difference is \$1.00 per square foot.

Mr. Owens stated that, in the event that the Board of Election Commissioners moves into the new Government Center Building during Fiscal Year 2003, there would need to be a change in the lease provisions for that office. Mr. Moody responded that the lease provides for changes in circumstances of the office.

Ms. Bostic asked whether Ms. Jennifer Ho, Risk Manager, collects the Certificate of Insurance for the County's tenants. Mr. Moody responded that County tenants are required to cover their possessions by fire insurance, as well as carry liability coverage. The County, as landlord, has the responsibility to insure its buildings against fire and general liability.

Ms. Bostic asked whether Mr. Moody regularly monitors the County's tenants and the space they occupy in order to insure that they are not causing damage to space they occupy. Mr. Moody responded that he does spot check each premises, but typically reviews each premises most thoroughly upon its vacation.

Vice Chairman Bostic asked whether there were any further questions or comments from the Committee. Hearing none, Vice Chairman Bostic called for a vote on the motion. She noted that the Vice Chairman would vote.

Motion carried.

Mr. Moody presented his request for approval of The Farnsworth Group's report on the design and costs to replace the exterior envelope of the 200 West Front Street Building. He introduced Mr. Mike Sparks, The Farnsworth Group, to present the report.

Mr. Sparks commented that at the September Property Committee meeting, several design studies were presented. At that time, the design was deemed acceptable by the Committee. However, the cost was considered questionable. Therefore, some options were considered for different metal panel manufacturers, other than Centria. Centria manufactured the metal panels that were utilized for the exterior envelope of the Law and Justice Center Building, which is located adjacent to the Health Department Building. Centria's product is quite satisfactory, but it prohibitively expensive.

Mr. Sparks explained that he obtained some cost estimates from local contractors who are dealers for exterior metal panels. It was determined that metal panels could be obtained from local manufacturers at a more cost effective rate, and the material could be installed by the general contractor, rather than by a specialist, at a lower rate.

Mr. Sparks stated that the cost of the window reglazing was also examined, and it was determined that this cost could be taken out of the estimate. The Farnsworth Group contacted a company for pricing on water testing, but it was felt that such action would be unproductive until the leakage problem had been resolved. Then the windows could be tested to determine whether there was any leaking at that location. Mr. Sparks reported that with the cost adjustments to the proposed project, the final estimate is now \$744,493.89.

Mr. Sparks remarked that his report also identified how the construction documents would be set up, replacement of the exterior panels, and some alternates for the additional work. He also noted an alternate for replacing the covers for the windows, which would make an aesthetic improvement. He asked for approval to begin the preparation of the construction documents.

Mr. Selzer asked Mr. Sparks for his assessment of whether or not there would be a cost overrun on this job. He stated that he would not like to be surprised with cost overruns. Mr. Sparks responded that estimates are only as good as the information that is available. He noted that when the construction documents are available, the costs would be more predictable. At that time, another estimate can be prepared, which would more accurately reflect the actual costs for the job.

Mr. Sparks noted that unforeseen problems, cannot be predicted at this time. Therefore, a contingency line has been added to the estimate, which would be utilized to address any unforeseen problems in the building.

Mr. Selzer noted that the contingency line has dropped by \$40,000.00 solely by using a different panel. He expressed concern that such an amount might not be adequate to cover any extensive water damage to the building that is presently unknown. Mr. Selzer further noted that both the window glazing and the contingency associated with that action results in a change of approximately \$100,000.00. He expressed concern that, in the event of a future cost overrun, the Committee might be chastised for inadequate planning. Mr. Selzer noted for the record that adequate planning has been in place, even including removing the cost for the window glazing from the bid in an attempt to bring the costs to a manageable level.

Mr. Sparks stated that the contingency shown in the cost estimate is based upon the items that are being done. In the event that a mold problem is discovered, or it is discovered that the metal studs are severely deteriorated, problems such as these are not included in the contingency estimate.

Mr. Nuckolls asked whether the Committee is comfortable with approving a contingency amount of \$67,681.26. Mr. Selzer commented that he would like to confirm that the contingency amount is based solely on the total dollar volume of the project versus some other number. He explained that when the price of the panels were lowered, the amount of the contingency became commensurately lower, as well.

Mr. Sparks explained that he would not want the Committee to be misled to believe that the amount of the contingency in the cost estimate would cover absolutely any situation that could arise.

Mr. Owens asked whether The Farnsworth Group has previously dealt with mold problems or other types of extensive damage. Mr. Sparks remarked that there is some visible mold in the building, so this is not a completely unknown problem. However, no mold has been detected in any of the areas examined by The Farnsworth Group.

Mr. Owens asked whether any portions of the building on the side where water invasion has penetrated have been closely examined. Mr. Moody noted that the areas of the interior of the building that were examined by The Farnsworth Group last year revealed deterioration of the ferrous metal studs. The most deterioration was apparent at the ground level, while the studs above the first floor showed little, if any deterioration. Areas where mold is apparent to the naked eye are the windowed atrium areas on the northeast side of the building.

Mr. Owens asked what action would be taken to address this situation. Mr. Moody responded that a roof would be placed over the atrium area that would function as a watershed. Mr. Owens then asked about the atrium area located on the west side of the building. Mr. Moody responded that no mold has been identified in that area, to date. Mr. Owens expressed a continuing concern that mold will be found in the building, would need to be mitigated, and that the contingency amount budgeted for this situation would be insufficient. Mr. Sparks stated that the discovery of mold is considered an unforeseen condition that cannot be quantified at this time. Therefore, the County needs to allot sufficient funding for such unforeseen conditions.

Mr. Selzer asked how much mold removal could potentially cost. Mr. Sparks responded that the cost would depend upon what type of mold is found. He noted that another unforeseen cost that the County should consider is that of the deterioration of the fasteners to the metal studs.

Mr. Selzer commented that more money should be allotted for contingency. He suggested that the Contingency amount be increased by \$30,506.11. The total project cost would then be an even \$775,000.00.

Mr. Owens asked Mr. Sparks to check into rates that companies would typically charge for mold removal. Mr. Selzer remarked that contingencies could become quite extensive, and there would probably be a charge for any investigation associated with identifying contingencies. His preference would be to increase the contingency line to the suggested level, based upon the fact that the building has already been inspected in several areas when dryvit panels have been replaced. No extensive mold or other potentially unforeseen conditions are anticipated.

Mr. Owens asked whether revenue generated within the building could be increased to cover the increase in the contingency line. Mr. Zeunik responded that there are three (3) sources of funding for this project: income that comes from the building; a loan from the Health Department, which would be amortized and paid off from the rents paid in the building; and, a loan from the General Fund.

Vice Chairman Bostic asked Mr. Selzer why he recommends an increase in the contingency. Mr. Selzer responded that the work from the original proposal, where there was a contingency of \$107,000.00, is the same work with the exception of the window upgrade, and utilizing a less

expensive product. He noted that a total of \$107,000.00 is an adequate figure for contingency. He noted that in the past, projects have seemed to run between 7-10% more than anticipated.

Vice Chairman Bostic stated that if a General Contractor were informed that he is working with a generous contingency, he would be tempted to spend it. Mr. Selzer stated that he wants to avoid a potential situation wherein the Committee would need to approach the full Board to ask for more funding to cover cost overruns. He noted that having a sufficient contingency line, not all of which would necessarily need to be expended, would be a more appropriate action.

Mr. Selzer explained that at the present time, the Property Committee would present the \$744,493.00 figure to the full Board as the estimate for the job. He stated that he would feel much more comfortable if the Committee were able to recommend to the Board a comprehensive figure of \$775,000.00. In so doing, he hoped to avoid future public criticism for underfunding the project, if cost overruns become a reality.

Mr. Nuckolls asked for Mr. Moody's opinion. Mr. Moody stated that the bid process should go forward as usual. Once the bids come back showing firm figures, an evaluation of the project costs could be conducted at that time.

Vice Chairman Bostic stated that the Committee would carefully examine the bids in comparison to the amounts listed in The Farnsworth Group's Preliminary Opinion of Probable Cost for the project. She noted that the Committee would then address any questions that arise regarding the project.

Mr. Zeunik remarked that he would like to clarify how the financing for the project would be handled. There will be no public debt financing for this project. Rather, there are three (3) sources of revenue, two of which are already budgeted. The Capital Improvement Line 801-0001, for the 200 West Front Street Building, will be used for this project. He explained that an allocation of \$70,000.00 to \$75,000.00 is anticipated over a period of two years, making a total of \$150,000.00 available for the project.

Mr. Zeunik explained that the balance of the needed funding would come from loans from both the Health Department and the General Fund. These loans would be accomplished via budget amendment that would allocate money from the Unencumbered Fund Balance in the Health Department in a number of different funds, and also from the Unencumbered Fund Balance in the General Fund. None of these funding options need to be presented for consideration until the members of the Property Committee are comfortable with the bids that have been received and the Committee is ready to award a contract. Therefore, the Committee members will be able to review all of the bids prior to awarding a contract.

Mr. Zeunik explained that since the project is not being financed in the capital markets, the Committee is not bound to operate with only an estimate and then hope that the contractors hit that targeted amount. If the bids are not properly aligned with the cost estimates, they may be rejected and new bids may be sought. If the project becomes too expensive, the project may ultimately be rejected altogether.

Motion by Owens/Nuckolls to recommend approval of The Farnsworth Group's Preliminary Opinion of Probable Cost in the amount of \$744,493.89.
Motion carried.

Mr. Moody reported that on September 20, 2002, he drove to the state capital in Springfield, Illinois to hand deliver the County's Grant Application for the Illinois Public Museums Grant Program for Fiscal Year 2003. The grant application requests \$2,770,000 for the repair of the exterior envelope of the McLean County Museum of History Building, otherwise known to McLean County residents as the Old Courthouse. He stated that overall, the State of Illinois has allocated a total of \$36 million in the Fiscal Year 2003 budget for grant awards of this type.

Mr. Moody explained that, in addition to assisting the County with much needed repairs to the Old Courthouse Building, this grant application is especially significant in that it requires no matching funds from the County in order to be received.

The application deadline for the grant is October 1, 2002. McLean County's application was submitted well in advance of that deadline. Mr. Moody noted that he requested notification of any mistakes in the application so that they could be rectified. To date, no such notification has been given, so it is assumed that the application is in correct form, as originally submitted.

Mr. Moody noted that it may be several months before all of the awards are identified and announced.

Mr. Nuckolls asked whether any other local groups applied. Mr. Moody responded that he was aware of one local historical district that was planning to apply, but he was uncertain as to whether that application had been filed. Members of the Committee commented that Lakeview Museum in Peoria, and the Children's Discovery Museum in Bloomington had also applied.

Mr. Zeunik announced that the Committee needs to schedule its meetings to review departmental budgets. The Board will adopt the Fiscal Year 2003 Budget at the November 19, 2002 County Board meeting. He asked whether the Committee would prefer to schedule special meetings, or wait until the Committee's regular November meeting to review departmental budgets.

Mr. Nuckolls stated that he would prefer to review departmental budgets at the regular November Committee meeting, and keep other agenda items to a minimum. Mr. Selzer commented that he would like to allot sufficient time to fully examine each budget that is presented. However, the Property Committee shares three members with the Land Use and Development Committee, which meets following the Property Committee. In order for that meeting to occur as scheduled, Mr. Selzer noted that the Committee would need to have a light agenda regarding other matters, so that the Committee could expend its allotted time on budgetary matters.

Mr. Owens asked what happens to the budgets once they are approved by the Property Committee. Mr. Zeunik noted that each Committee makes a recommendation to the Executive Committee.

Mr. Nuckolls stated that commencing the Property Committee's November meeting one hour earlier than usual might be a viable solution. Mr. Zeunik commented that a start time of 3:00 p.m. on November 7, 2002, would allow the Committee 2.5 hours to carefully consider the departmental budgets. Mr. Nuckolls reiterated his request for a light agenda in addition to the budget matters.

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

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Motion by Hoselton/Nuckolls to recommend 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 Salch
adjourned the meeting at 4:47 p.m.

Respectfully submitted,

Martha B. Ross
Recording Secretary

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