

## **Minutes of the Property Committee Meeting**

The Property Committee of the McLean County Board met on Thursday, December 3, 2009 at 3:45 p.m. in Room 400, Government Center, 115 E. Washington Street, Bloomington, Illinois.

Members Present: Chairman Bostic; Members Moss, Ahart, Wendt, O'Connor and Wollrab

Members Absent: None

Other Members

Present: None

Staff Present: Mr. Terry Lindberg, County Administrator; Mr. Bill Wasson, Assistant County Administrator and Ms. Jude LaCasse, Assistant to the County Administrator

Department Heads/  
Elected Officials

Present: Mr. Jack Moody, Director, Facilities Management

Others Present: None

Chairman Bostic called the meeting to order at 3:50 p.m.

Chairman Bostic presented the Minutes of the Thursday, November 5, 2009 Property Committee meeting. Hearing no objections or corrections, Chairman Bostic accepted and placed the minutes on file as submitted.

Mr. Terry Lindberg, County Administrator, presented a request for approval of Attachment Number 19 to the Amendment to the Lease and Operation and Maintenance Agreement for the Law and Justice Center. He explained that this is a long-standing Lease Agreement that the County has with the Public Building Commission ("PBC") to provide Operation and Maintenance services for the Law and Justice Center. Mr. Lindberg added that this is part of the budget that has been reviewed and approved by the County Board. He noted that the total is \$1,979,855. Mr. Lindberg indicated, with this Agreement, the County agrees to pay this money, which is primarily raised through a tax levy, to the PBC and the PBC agrees to pay it back to the County as we incur operation and maintenance expenses to run the Law and Justice Center. He advised that this is a few dollars lower than the prior year's agreement, which is due to the following:

- Better energy management;
- An absence of any major capital projects.

Mr. Lindberg stated that capital projects were not eliminated just to save money, but because the building is in good shape and does not currently merit any capital expenditure.

Motion by Ahart/O'Connor to recommend approval of Attachment Number 19 to the Amendment to the Lease and Operation and Maintenance Agreement for the Law and Justice Center.  
Motion carried.

Mr. Lindberg presented a request for approval of Lease and Contract Extension Agreement No. 7 extending the lease of the Courthouse Building and the Contract for Operation and Maintenance all dated December 3, 2002. He indicated that the last several years, the expense for this Agreement has been approximately \$225,000 per year. It is currently down to \$175,000. Mr. Lindberg advised that the reasons for this decrease are:

- A \$50,000 per year payment back on a loan that the County received from the PBC;
- Improved energy management;
- No capital improvement projects.

Mr. Lindberg stated that the loan payment to the PBC has been extinguished and fully paid off by using PBC money. He explained that, as a result of the Law and Justice Center explosion, the County was required to make improvements to the Building to bring it up to current code as opposed to when the building was original built under previous codes. As such, the County was not able to get insurance reimbursement for several hundred thousand dollars worth of expense for the Law and Justice Building rebuilding project. Mr. Lindberg advised that, to offset that expense, the PBC agreed to forgive \$294,000 owed to them by the County, which was the remaining outstanding balance on the Old Courthouse loan. He indicated that this has saved the County \$50,000 per year on the Operation and Maintenance cost because we no longer have that monthly payment.

Motion by Ahart/Wollrab to recommend approval of Lease and Contract Extension Agreement No. 7 Extending the Lease of the Courthouse Building and the Contract for Operation and Maintenance all Dated December 3, 2002.  
Motion carried.

Mr. Lindberg reviewed a situation that has arisen in regard to the Government Center Operation and Maintenance Agreement. He explained that the County has three Operation and Maintenance Agreements with the PBC. The first two are for the Old Courthouse and the Law and Justice Center. The third one is a 50-50 cost sharing agreement to cover the operation and maintenance (O & M) costs of the Government Center building. Mr. Lindberg advised that the total O & M cost for the Government Center in Fiscal Year 2010, as budgeted in the County's Recommended Budget, is \$824,610. Originally, the County and the City of Bloomington agreed to share the expense of acquiring and renovating the building and also agreed to share the operating and maintenance expense of the building. Mr. Lindberg stated that the building is currently at almost exactly a 50-50 shared space.

Mr. Lindberg advised that the normal process is that he alerts the City of Bloomington of the estimated costs and then updates them after the budget has been through Committee review to provide them with a final number, subject to any changes after final budget approval. In mid-October, after this Committee had seen the budget again, he sent a letter to Mr. David Wochner, Secretary and Attorney for the PBC, to apprise him of the budget amounts. Mr. Lindberg noted that he sent a similar letter to the City Manager requesting that they agree to a Lease Amendment on the Government Center. He indicated that the City has not yet agreed to the Lease Amendment for 2010.

Ms. Ahart asked why the City has not agreed. Mr. Lindberg replied that the City is dealing with severe financial issues. He added that the County has had some difficulties with the cost sharing arrangement with the City for FY'2009 which did not get finalized until almost a week ago. This event normally occurs no later than December and two payments are made during the year to pay it off. Mr. Lindberg indicated that there was a question on the final payment amount in 2009. He noted that after some meetings and discussions, the payment was finally completed for 2009. Mr. Lindberg advised that the City is still reviewing and considering the Agreement for 2010. He indicated that the budget amount for the Government Center Building was approved in the FY'2010 Recommended Budget, and the City was made aware of this amount several months ago. Mr. Lindberg noted that the County cannot defer approval of its budget to accommodate the City of Bloomington's failure to comply with the Agreement. He indicated that the Administrator's Office has several options available to try to resolve this issue. Mr. Lindberg added that the Administrator's Office is open to reviewing the cost-sharing mechanism with the City, but the County's budget has already been approved for 2010 and the Fiscal Year starts in a few days. He stated we should be looking at the County's 2011 budget to consider any potential changes. Mr. Lindberg advised that the Administrator's Office is open to discussing ways that might make the split fairer in the eyes of the City.

Ms. Ahart asked if the City is disputing the amounts that were given to them. Mr. Lindberg replied that the County has an agreement with the PBC to operate the building and part of that responsibility includes the County developing the staffing and budget for personnel and other expenses related to running the building. He indicated that he can understand that the City, as the County's tenant partner, might question our staffing assumptions and wonder if it could be done more economically. Mr. Lindberg added that the City posed a couple of options to him, but as of two weeks ago, his understanding is that the City was comfortable and any concerns they had would be discussed in the 2011 cycle. He indicated that, more recently, he learned that the City is still thinking about the 2010 Agreement. Mr. Lindberg added that the County's budget has already been approved and it has had its Truth and Taxation hearing, and it would be difficult to make any changes. Chairman Bostic noted that all levies have to be filed with the County Clerk on December 29<sup>th</sup>. Mr. Lindberg reminded the Committee that the County is not the owner or landlord of the building, but rather provides the operation and maintenance services. If the Agreement is not completed, the PBC will need to be involved.

Ms. Ahart asked if there are two separate leases or just one lease for the Government Center Building. Mr. Lindberg replied that it is one lease between the Public Building Commission, the City of Bloomington and McLean County. He noted that the actual amount is determined by the budget calculations and the dollar amount is amended annually. Ms. Wollrab asked how long the lease is. Mr. Lindberg responded that the lease runs at least through the debt payment, which is approximately 2014.

Mr. Wendt pointed out that the City is concerned as to whether the County's cost allocation to maintain this building is fair. Mr. Lindberg responded that the City is looking at ways to reduce the cost of maintaining the building. He indicated that this building, which is maintained by the County's Facility Management staff, may be the only City facility that has no employee or citizen complaints in terms of cleanliness.

Chairman Bostic commented that Mr. Moody could provide a dollar per square foot cost on the maintenance of the Government Center Building to see how it compares to the City's maintenance costs to their other buildings. Mr. Lindberg stated that the staffing was reviewed when it was first determined that we would share this building with the City. He noted that two positions have dropped since 100% occupancy of the building. Mr. Lindberg indicated that he is not comfortable reopening the County's FY'2010 budget to accommodate the City's time schedule.

Ms. Ahart asked when the first payment for 2010 is due. Mr. Lindberg replied the first payment is usually made in the late spring and the second payment is made in the fall.

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Mr. Lindberg stated that he is confident that something can be worked out with the City.

Chairman Bostic presented the November 30, 2009 Property Committee bills, which have been reviewed and recommended for transmittal to the Property Committee by the County Auditor. The Property Committee bills include a Prepaid Total of \$263,122.42 and a Fund Total that is the same.

Motion by Wollrab/Ahart to recommend approval of the bills as of November 30, 2009, which have been reviewed and recommended for transmittal by the County Auditor.  
Motion carried.

Chairman Bostic asked if there was any other business or communication for the Property Committee. Hearing none, Chairman Bostic adjourned the meeting at 4:06 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary