

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF TRUSTEES OF THE ACORN PUBLIC LIBRARY
August 25, 2010**

1. The meeting was called to order at 7:01 p.m.
2. Those present were James J. Richmond, President, Kimberly Duffy, Treasurer, Jacqueline Muscarella, Secretary, Martin Durbin, Susan Vigorita and Chuck Newman, Trustees. Trustee Sheri Halwax was absent. Also present were Mary Tuyschaeyers, Director and Karen Miner, Bookkeeper.

The Board also welcomed Pat Callahan, Angie Bollinger and Pete Muscarella.

3. Pat Callahan began the discussion by explaining the way the project was phased with a series of alternates which can be added or taken out to create the total project. They attempted to create a series of combinations to see what the base bid and the alternates costs would be if you did everything together. An attempt was made to normalize each bid with the associated true costs so that there was a total project cost associated with each component. They also added in the fixtures, furnishings, and equipment (FF&E), soft costs, design fees to date, and the bid number to come up with the total costs for each of a series of combinations. The estimated cost is around \$1.436 million once you get past adding all of the alternates. Pat stated that essentially you can see the more you add to it, the greater the savings from the original estimate. He stated that the library would be getting kind of an economy of scale and there is a range of about 20% savings based on original budget estimates.

Jim Richmond asked about the cost for the roof and whether or not it was a completely new roof for the whole building or just the addition. Pat explained that it would be for the addition. He further stated that it would be a “green roof” in the sense that a sustainable material would be used for the roof rather than your standard tar and gravel roof. Jim asked about the disparity in bids with one coming in for \$6,000 for the roof and another as low as \$1,600.

Pat explained that the determination of the low bid is a combination of the base bid plus the alternates you select. The contractors try to use their best guess as to what alternates will be picked and they are all trying to get an angle on how they can secure the commission of the job. As a result, to compare the prices of the alternates from contractor to contractor is not indicative of what the alternate is worth. Basically they are playing with the numbers. The two low bidders looking at any combination and arrangement of alternates is either A. J. Maggio or Construction Solutions.

There was some general discussion about various design elements associated with different areas of the library. Martin had a few questions about various alternates being tied to other alternates in order to be done. Pat and Angie explained that the alternates are not tied together. However, for example if you were not going to move the front door, there would be no need to move the circulation desk because then your circulation desk would not be near your entrance. It was felt the confusion resulted from the front door work being tied to the renovation of the second floor, but not the addition of the second story. The second story addition is alternate #1 that involves minor modifications to the existing board room area; i.e. have to have a hallway to it. The front door is alternate #2 with interior modifications to the existing circulation area with the computers and reference, and then the new circulation area is moved up near the new entrance. The upper level is kind of done in two steps, the boardroom area as the smaller piece with alternate #2 being the bigger piece. They are separate; one does not depend on the other.

Alternate #3 was discussed and the Jackie wondered if anything was going to be done in the corner with the magazines; whether they were coming down or being moved, and whether or not the old racks would be used or new. Angie explained that new racks are not included in price as this would be part of the furniture or FF&E costs. It would be up to the library to decide whether or not you would want to reuse the old racks or provide new ones. Pat explained that as of now the FF&E costs are not broken down. He knew the FF&E to be some combination of keeping existing items and obtaining some new, but the Board has not yet got to the point where they determined what was going

Call to Order

Roll Call

**Building Plans
and Bids**

to be kept and what would be new furnishings. This is something that still needs to take place. Angie explained that the FF&E costs are included in this bid package. She noted that they can go out for bid with the furniture companies and count that as a separate bid item. Pat further explained the reason it is done that way is they do not like to bid the fixtures, furnishings and equipment because you end up paying more for someone else to order it, box it up, ship it and then it is assemble at the site under the general contractor, as they will just mark up the cost for getting the things to the site. It is usually something that is done after the general construction. Doing it this way also affords additional time to drill down to a little more detail and the Board still has input into those decisions.

Jackie expressed some concern about the thought of doing it all later and what they library would end up with to use once the major work was done. Pat stated that it would be whatever is in the library now. If it was decided to acquire the FF&E later, then they would just take all the existing furniture which has been all documented as part of the original space plan study and rearrange it with all the existing furniture.

Further discussion took place about changes in the Board room and whether or not changes could be made to the base bid. Pat explained that at this point the documents have been bid, the two lowest bidders based on a combination of the alternates have been determined; if there are changes that the board would like to make to the documents, they Board should come to a consensus of what should be done first. Then we can sit down with the contractors before awarding the contract and pre-negotiate the credit change order with things you want to take out of it or changes you want to make. Doing this would do two things; it gives us the best opportunity to talk to the contractor and get the best possible price because he doesn't have the job yet and gives you the best return on your investment. If you do it during the course of the project you might get \$.50 on the \$1.00 back for getting a credit and costing \$1.50 for something they put back in, so effectively you are spending an extra dollar for every piece of work you do. If that is the desire of the board, they are happy to make those adjustments and modifications. If it is simply materials, going from painting or flooring or those kinds of things, those are relatively easy to do. If it is physical changes, relocation of walls, etc. they would prepare additional sketches and then have them provide proposals to make those switches.

Martin wondered if any of the architectural work was being contracted out. Pat stated that no architectural work is contracted out. The mechanical, electrical and plumbing is contracted out.

Kim Duffy wondered what the total cost of moving the front door was estimated to be. Pat explained that just the cost of the door was not broken out; the price quoted includes the door, the vestibule and the rooms and circulation area, which amounts to \$220,000.

The question regarding possibly having to change the address of the library was briefly discussed. It was generally thought that an address change would not be necessary inasmuch as the building was not moving, an entrance was just being relocated.

Renovations to the lower level kitchen, meeting room and staff room were briefly discussed. Those renovations include painting, carpeting in the meeting room, painting the staff room and vinyl flooring in the staff area to allow for easier clean up. In the kitchen area some addition counter space would be created in some underutilized space and some other minor changes.

Martin asked whether or not Pat was comfortable with A. J. Maggio and their work. Pat explained that they have worked with both of the contractors before on other projects and that they are confident in their abilities to do a very good job. He felt that the bids are solid and that the contractor is willing to stand behind it. He added that full reference checks have not been done as of yet, but will be once a final decision has been made. They have worked with both contractors before, but still always test their financial statements, have conversations with their bond counsel, and call for current references on projects. This will be the next step once they have a consensus.

Susan inquired about the estimated cost of the donation plaque. Sue noted that she may be able to secure a donation for the plaque.

The question was again raised about using local contractors or services, i.e. for the carpeting. Pat explained that typically how it works is that on bid day the contractors will get quotes from the subcontractors. The general contractor sends them the drawings, they look at the bids they get on bid day and decide which one they are going to put in their number. Once the successful contractor gets the job at that point he typically goes out and gets the contracts or negotiates with the people. The person whose number he chooses on bid day may not be the guy that gets the job. They would encourage the low bidder; if we had a list of local contractors we could provide them they could reach out to those folks to give them an opportunity on the project. If they are going to do a good job and the price is right, they do not care which subcontractor they use in that regard. It only benefits them because it is one more thing they can do for the community.

Jim asked for clarification on the FF&E total and whether it included all the highlighted items on the original drawings, new shelving, browsing bins, etc. Pat stated that it does and again noted it is a separate package that will be bid out to get competitive pricing.

Angie noted that they were going to try to keep as many of the existing items, and consolidate types i.e. cantilever shelving, and continue with that mode. They may replace end panels on the existing shelving to give it a new look and make it so that it will look similar to any new items.

Jackie inquired about the cost of moving the shelving so that the new carpeting could be put in place. Pat noted that it all depends on how you have it done. If you use Hallet, you pay a premium price as they have patented the system and it is very expensive. As an alternative you can move the books yourselves and save a lot of money. Pat noted that this type of work could be done as part of a community service project and this would be accomplished at no expense to the library. The work is done by individuals who have to complete community service hours as part of a sentence for a minor legal infraction. The workers are fully supervised at all times. Cook County is always looking for opportunities for community service projects such as this. Pete Muscarella noted that you will oftentimes see litter being picked up around Oak Forest as part of this community service work.

Jim Richmond noted that the total project is around \$1,436,000. Pat explained that it all depends on how much you plan to do. The beauty of the first three alternatives, with the exception of #3B, is that they can be done as stand alones at any time. It was noted that the bids are good for 60 days and that 60 days will be up by 10/10/10. There was some brief discussion about the city having to review the plans and whether or not any fees associated with the city's review were included in the fees. Angie noted that they were included in the soft costs. She also noted that the city has looked at the plans and have been very accommodating thus far.

Pat and Angie exited the meeting at 8:03 p.m.

Mary will be in touch about the September meeting regarding any questions, etc.

4. Jim added this for discussion because of the numbers associated with the building costs. Mary budgeted for it and \$1.3 million is built into that. Jim felt that if the Board was going to offer input it would be that that number should be either raised or lowered. The question is whether or not the library can afford the \$80,000 bond payment. Jim stated that if the monies are to be spent in theory it needs to be reflected appropriately in the B&A ordinance and Levy ordinance. If the cost of the project is \$1,436 million then the \$1.3 million needs to be higher. Jim felt it should probably just be raised to \$1.5 million if it is going to be included. He noted that we will be discussing this again in September. There was a discrepancy in the total numbers noted which will be corrected so that the totals correspond.

B&A and Levy Ordinances

There was some brief discussion about the estimated property tax receipts (\$1,098,000) and the levy amount. It was hoped that the library would actually end up getting \$1,021,000, but at this point no one really knows.

Also with regard to the Levy ordinance, Jim does not feel it is appropriate that Board expense should be coming from money raised by taxes and that it should be coming from other sources. The Budget

& Appropriation Ordinance will be discussed at the September Public Hearing. Mary will be posting the notice.

Discussion turned to how much can the library afford with regard to the building project. Karen Miner noted that the records are up-to-date and reflect the funds that are available. At the present time the library has \$1.4 million on hand. The year prior it was \$1.6, but that is because we are not getting as much tax money as these funds are being delayed. Jim noted that \$188,644 is the working cash fund and that money is there to borrow in the event of some type of emergency. Any money borrowed would have to be paid back. Kim noted that there is also \$200,000 in the checking account. She is waiting to see what the Board will decide to determine what to do with the money. Kim reminded the Board that several large projects have been undertaken and paid for recently which have depleted the funds, but these are not normal expenditures.

Jim stated that if the Board makes the commitment to do most, if not all of the project, then the Board would have to commit to earmarking at least half the money for the project and borrowing the rest. As noted previously \$1 million in bonds would roughly translate to an \$80,000 loan payment every year for 20 years. If \$700,000 was borrowed that would result in roughly a \$56,000 loan payment each year. Jim has no doubt the library could afford a \$40,000 loan payment. It was decided that Mary should try to obtain the accountant's opinion on this to see what a professional accountant thinks. Both Jim Smaron and the new accountant were going to be contacted.

Karen Miner feels comfortable with the projections that we have and that \$80,000 would be the maximum, however, less would be more comfortable. Jim noted that if we are going to try to do something, he would like to stay away from borrowing a million dollars. If Jaime said \$700,000 resulted in roughly a \$56,000 annual payment, we could borrow \$700,000 and contribute about \$800,000 making it more a 50/50 split. He would rather do that and be safe and keep the payment in the \$50,000 to \$60,000 range. He again reiterated that \$40,000 could no doubt be done.

The Board also felt comfortable that borrowing \$750,000, with a roughly \$60,000 loan payment per year, would allow the library to get all of the construction done. A decision will be made at the next meeting. Martin asked that any feedback from the accountants be communicated to the Board members. Mary will e-mail the Board and also post it so that everyone has the information.

Karen Miner left the meeting at 8:40 p.m.

Jim noted that the Board may vote in totality or in parts, i.e. specific alternatives, base bid, etc. Jim noted the biggest problem is how much can we borrow in bonds and how much can we afford, i.e. \$56,000 based on \$700,000. Mary will verify numbers and get back to the Board. The Board really needs to know how much they want to borrow. Mary will check with Jaime tomorrow.

Sue Vigorita noted that she can't say for certain, but she is working on something to obtain a donation for the donor's plaque. She will know more by the September 8th meeting.

Martin wondered if the bids are released on 10/10/10, would the library have the bonds by then. Mary noted that since it takes 60 days to get the bonds, it would be in November that the library would get the bonds. The library does enjoy a good credit rating; they are just waiting on a number from the Board so that they may proceed.

Pete Muscarella made note that the Board would be best served if no monies were put toward the project until the bonds were completely done. He has had the experience that there have been a few hiccups with the bond issue that have resulted in setbacks.

Jim will have the bond amount issue on the agenda for the September meeting. The Board will have to determine an amount to borrow. He does not believe that a formal resolution has to be made at that time. However, the Board will have to pass a bond ordinance at a future meeting that establishes the rates and pay back details.

5. The per capita grant requirement will also be on the next agenda to finalize and approve. Mary noted that everyone is taking a part. She already has input from staff, has the green plan, and has a strategic plan with copies for each of the Board if you want. She noted it has not been approved yet.
6. Susan Vigorita, seconded by Chuck Newman, made a motion to adjourn.

**Per Capita Grant
Requirements**

Adjournment

Roll Call Vote:

Ayes: Jim Richmond, Jacqueline Muscarella, Susan Vigorita, Martin Durbin, Chuck Newman and Kimberly Duffy.

Nays: 0

Absent: Sheri Halwax

“6” ayes, “0” nay, “1” absent – Motion carried. Meeting was adjourned at 8:57 p.m.

Jacqueline Muscarella, Secretary

Dated: _____, 2010