I. CALL TO ORDER

Ms. Lattimer called the meeting to order at 10:00 a.m.

II. APPROVAL OF MINUTES

MOTION: APPROVING THE MINUTES OF THE JUNE 11, 2019, MEETING MADE BY MR. SCHU. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 6-0.

III. NEW BUSINESS

A. County Manager

1. LaBella Contract Amendment – Mr. Wheeler presented the committee with a proposed contract amendment for the changes in scope from the original proposal. The original proposal and contract approved for LaBella was for a fixed cost of $620,000 based on an estimated overall project cost of around $5.8 million. The scope was expanded due to OCA (Office of Court Administration) requirements as well as our own requests and LaBella had proposed 9.5 percent for the additional scope. We thought that was high and after negotiating with them, we were able to get it reduced to 8 percent. Mr. Wheeler stated he made some calls and was told that anything less than 10 percent is in the market range. LaBella’s costs are within reason, although not insignificant. To put things in perspective, the Annex Building project which had a similar budget, was 7.25 percent for Labella for A&E services, but the duration was two years shorter. He stated Labella is here a lot; almost on a weekly basis during construction.

Mr. Wheeler stated they expanded the scope of the project based on OCA requirements that the DA be completely removed from the courts and the need for additional waiting room; as well as our requirements for the limited use elevator, fire systems, etc. The additional fee for the expanded scope of work is $120,000. The design of bid alternatives includes turning the South Conference Room into the fourth courtroom, expanding DA’s office to occupy all three floors of Courthouse, along with replacement of fan coil units, new interior finishes in Courtrooms A and B, and the addition of a condensing boiler within the County Office Building. With all of these bid alternatives, LaBella has to fully design and engineer so they can put them out to bid, if you choose. He explained 25 – 30 percent of the construction costs are built into these, however, if you do not accept the bid alternatives, those costs would go away. The additional cost to Labella to do this is $136,000.
Mr. Wheeler stated with regard to the hazardous materials testing service, he would recommend not accepting this in the proposal. We think even if we have to procure testing services, that we can do it for less than the $38,250 that LaBella has proposed. The air balance testing of the existing HVAC equipment is an additional $8,000 and commissioning services is an additional $30,000. We are required to do those and we did this for the other project. Mr. Wheeler stated with regard to furniture, fixtures and equipment design services, LaBella had originally proposed $40,000, but we struck that out, and will do that on our own.

Mr. Wheeler stated the final proposed amendment is the addition of a Phase I early bid package. We had discussed this internally and took it to LaBella to see if we could expedite a portion of the project and save money. We were looking to renovate the third floor of the Annex Building first. LaBella suggested including the Public Works space along with the Surrogate Court Clerk and Hearing Room space and put that entire package out to bid before the first of year prior to the schools getting their bid packages out. We may be able to save six months on the overall project and Mr. Wheeler stated he would recommend doing this. The cost for LaBella to do this is $28,850.

Mr. Swackhamer asked why do we need to pay anything; isn’t that already built into their service? Mr. Wheeler replied one bid package was included. This would be an additional bid package. This would include another set of site visits, pre-bid meetings, etc. They would also need to assign additional staff in order to expedite this.

Mr. Van Etten stated if we split it, we also have the incremental cost for a project manager. Mr. Wheeler stated if we do this, we would want to bring the project manager on earlier in the process. Mr. Van Etten asked would the project manager bid the entire project? Mr. Wheeler stated he would recommend that because you will be going from one phase right into the other.

Mr. Wheeler stated the original overall project fee for LaBella was $620,000. With the addition of all of the items we discussed, with the exception of the hazardous materials testing, the total amended contract amount is $942,850. Mr. Malter asked where are we with the total project cost? Mr. Wheeler replied we are around $10 million, and these additional fees are including the overall cost estimates they provided you at the last meeting.

Mr. Schu asked what other options are there? Mr. Wheeler replied the scope of the project did change and they have to design for that. The only option would be the alternatives; should you not design those, you would save $136,000. In terms of the long-term planning, he thinks it is worth putting those out there. Mr. Malter asked are the alternatives included in the total project cost? Mr. Wheeler replied his recollection was our all in cost, including alternates is $10 million.

Mr. Malter commented what bothers him most is we are spending $10 million and not adding one more square foot of space and we are displacing staff for 2 ½ years. He just has a problem with that. Mr. Van Etten asked would you rather add $10 million in space? We are increasing the efficiency of the square footage we have, which is a lot cheaper than building a new building. Mr. Malter stated we have another space available and we are using and renovating existing space for $10 million and there is still no additional space. If we had known sooner, we could have used the annex space for the courts.

Mr. Wheeler stated we knew at some point down the road, OCA would want some renovation, but not to this scope. In his opinion, if we had offered that space where the Annex is, you would have had a $20 million courthouse there. Mr. Van Etten stated we put three floors in that building because we knew there would be a push by OCA for additional space sometime in the future. Mr. Swackhamer commented we just didn’t think it would be quite this soon.

Mr. Malter stated another concern he has is that the County Manager will no longer be located in the County Office Building. He feels that the County Manager needs to be here to supervise the departments that are here. Mr. Wheeler replied it is a good point, but no matter where he is located, he will be in here.
Mr. Wheeler stated he thinks the accelerated bidding is a good idea. We can always reject if you get bids that you don’t like. Getting ahead of the school projects is critical. Ms. Lattimer commented getting the bids out early will probably save some money.

**MOTION: AMENDING THE CONTRACT WITH LABELLA FOR ARCHITECTURAL AND ENGINEERING SERVICES RELATIVE TO THE COURT AND COUNTY OFFICE COMPLEX RENOVATIONS PROJECT, EXCLUDING ITEM #3 - HAZARDOUS MATERIALS TESTING SERVICES, AND INCLUDING A PHASE I EARLY BID PACKAGE, FOR A TOTAL AMOUNT OF $942,850.00 MADE BY MR. SWACKHAMER. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Mr. Wheeler stated he and Ms. Prossick have had many conversations relative to the authority of OCA to mandate additional space. The authority is given under the Chief Judge’s Rules. If we say we are not going to do this, they have the ability to withhold State reimbursement. That is what happened with Allegany County. By delaying the project, you could potentially lose $1 million per year in State reimbursement. He commented this would be good for all of the counties and municipalities to band together at some point to oppose, but not a benefit to do on your own. Mr. Swackhamer stated the whole timing of this thing is the issue. If three years ago we had known, we could have fashioned things differently.

2. **Construction Manager** – Mr. Wheeler stated with your authorization to do an early bid package, he requested authorization to bid for Construction Manager. If we put out the bids now, we can have someone on board in time for letting the bids in the fall.

**MOTION: AUTHORIZING THE COUNTY MANAGER, IN CONJUNCTION WITH THE PURCHASING DIRECTOR, TO SOLICIT BIDS FOR A CONSTRUCTION MANAGER FOR THE COURT AND COUNTY OFFICE COMPLEX RENOVATION PROJECT MADE BY MR. VAN ETten. SECONDED BY MR. MALTER. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

3. **Project Funding** – Mr. Wheeler informed the committee that OCA has a couple of options for our consideration. Should you bond this project, and only if you bond or borrow, OCA has a mechanism to reimburse you 25 – 33 percent of the interest costs. On a five-year note, we would be looking at a total of $200,000 in reimbursement. On a ten-year note, it would be about $400,000. The other option, if you chose to use fund balance, they may be able to reimburse us $100,000 - $200,000 in capital costs per year during construction.

Mr. Schu asked didn’t we previously discuss doing both; pay part with cash and part with bond? Mr. Wheeler replied we did, and that is what we did with the last project.

Mr. Swackhamer asked what are the figures? Mr. Wheeler replied right now, the interest on a five-year note is 2.15 percent and the interest on a ten-year note is 2.45 percent, plus the cost of bonding. He noted OCA will only reimburse the interest. This number is assuming a $10 million bond. If you went with this option, no capital funding would be allowable. If you did a combination, they would most likely push to reimburse just the interest.

Mr. Swackhamer asked what is the projected payment? Mr. Wheeler replied very rough numbers are $2.1 million for a five-year note and $1.4 million for a ten-year note. Mr. Schu commented we would want to be certain the OCA reimbursement is cast in stone before we take on the interest. Mr. Wheeler replied yes.

Mr. Malter asked we have one or two years left on the Jail Bond and six years on the Annex? Mr. Wheeler replied yes. Mr. Swackhamer asked over the next five year period, what would our debt service balance be? Ms. Hurd-Harvey replied right now you have a $600,000 Jail payment and it will be a little more each of the following years and then it goes away. Mr. Wheeler stated we have $1.1 million in bonds right now. If you bond a portion of the project and take the interest option from OCA, then the reimbursement would be reduced.
Mr. Malter asked what is the interest rate on investments? Ms. Hurd-Harvey replied between 2 percent and 2.2 percent. Mr. Wheeler stated this is just something to think about.

Mr. Van Etten commented we would be at $1.8 million on a five-year note with the interest reimbursement. He would be of the opinion of bonding the entire thing for five years and take advantage of the reimbursement from OCA, and pay for the bond with fund balance. Ms. Lattimer commented assuming you get written assurance. Mr. Wheeler stated there is a formal process for the interest reimbursement. Mrs. Ferratella asked have other counties done this? Mr. Wheeler replied yes.

Mr. Swackhamer asked if they agree to the interest reimbursement, is that good for the life of the bond? Mr. Wheeler replied yes, subject to State appropriations.

Mr. Malter asked how much additional reimbursement will we receive as a result of this project? Mr. Wheeler replied we can expect an additional $20,000 per year. Right now we get around $200,000 per year. Ms. Hurd-Harvey stated she will get firm numbers to Mr. Wheeler. Mr. Malter commented it will be interesting to see what the bonding fees will be.

**MOTION: TO ADJOURN REGULAR SESSION AND RECONVENE IN EXECUTIVE SESSION PURSUANT TO PUBLIC OFFICERS' LAW, ARTICLE 7§ 105.1.H. THE PROPOSED ACQUISITION, SALE OR LEASE OF REAL PROPERTY OR THE PROPOSED ACQUISITION, OF SECURITIES, OR SALE OR EXCHANGE OF SECURITIES HELD BY SUCH PUBLIC BODY, BUT ONLY WHEN PUBLICITY WOULD SUBSTANTIALLY AFFECT THE VALUE THEREOF MADE BY MR. VAN ETTEN. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: TO ADJOURN EXECUTIVE SESSION AND RECONVENE IN REGULAR SESSION MADE BY MR. SWACKHAMER. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: AUTHORIZING THE COUNTY MANAGER TO GET AN APPRAISAL ON A PARCEL SITUATE IN THE TOWN OF ERWIN MADE BY MR. VAN ETTEN. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: TO ADJOURN MADE BY MR. MALTER. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Respectfully Submitted by

Amanda L. Chapman
Deputy Clerk
Steuben County Legislature