

STEBEN COUNTY ADHOC OFFICE SPACE COMMITTEE

Tuesday, December 8, 2015

11:00 a.m.

*Legislative Committee Room
Steuben County Office Building
Bath, New York*

****MINUTES****

COMMITTEE:	Robin K. Lattimer, Chair	Carol A. Ferratella	Joseph J. Hauryski
STAFF:	Jack K. Wheeler Andy Morse Shawn Corey	Vince Spagnoletti Eric Rose	Pat Donnelly Tammy Hurd-Harvey
LEGISLATORS:	K. Michael Hanna	Hilda T. Lando	Gary G. Swackhamer
ABSENT:	Lawrence P. Crossett	Brian C. Schu	Scott J. Van Etten
OTHERS:	Mark Kukuvka, Labella Mark Alger Mary Perham		

I. CALL TO ORDER

Ms. Lattimer called the meeting to order at 11:00 a.m.

II. APPROVAL OF MINUTES

MOTION: APPROVING THE MINUTES OF THE NOVEMBER 23, 2015, MEETING MADE BY MRS. FERRATELLA. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 3-0.

III. GENERAL BUSINESS

A. *Financing* – Mr. Donnelly stated he had been asked to review Option 4a and 5 with regard to how they would be financed. He prefaced his discussion by saying the statistics he is giving with regard to the health of the economy reflects everywhere but here. Nationally, we’ve seen 17 months of job growth that exceeded 200,000 jobs per month. That is an indicator that the economy is relatively healthy. The Federal Reserve is planning to raise the short-term interest rates. Currently financing rates for ten-year tax-exempt bonds are 2 percent, 2.1 percent and 2.2 percent. Option 4a is a one-story pre-engineered building at Mt. Washington plus a one-story building on West Morris Street. The estimated cost of that project is \$7,179,000. If we assume the rate is 2.1 percent, we would take \$4 million out of surplus funds and bond \$3,150,000. Over seven years that would represent a debt service of \$480,000 per year with total interest cost of \$263,000. If we were to bond for 10 years, the debt service would be about \$350,000 per year with a total interest cost of \$376,000.

Mr. Donnelly stated Option 5 is a one-story pre-engineered building at Mt. Washington plus a multi-story office building on West Morris Street. The estimated cost of that project is \$8,618,100. We would take \$4 million out of our surplus funds and issue a ten-year bond for \$4,600,000 at 2.1 percent interest. The debt service would be \$517,000 - \$520,000 annually with a total interest cost of \$542,000. Option 4, is a one-story pre-engineered metal building at Mt. Washington. The estimated project cost is \$5,456,800. If we took \$4 million out of surplus, we would bond \$1,400,000. The total interest cost for a ten-year bond would be \$168,000 and \$116,000 for a seven-year bond. Annual debt service would average \$225,000 for the seven-year option and \$165,000 for the ten-year option.

Mr. Wheeler commented the difference between Option 4 and 5 is \$250,000 per year. Mr. Donnelly commented that if you went with Option 2, that would not be much different from Option 5. Mr. Hauryski asked have you looked into Rural Development financing? He asked Mr. Donnelly to look into that as it may be worth investigating.

Mrs. Ferratella asked how long will they hold these interest rates? Mr. Donnelly replied the Federal Reserve Bank has stated it will begin to increase interest rates in December, but we haven't seen anything yet.

B. *Public Works* – Ms. Lattimer stated that Mr. Spagnoletti would like to make some comments regarding the proposals. Mr. Spagnoletti stated that he wanted to make sure the committee had a good view of how his department operates. There is a lot of interchange between our department and other departments. We work very closely with Finance, Purchasing and the Law Department. The most important thing is you do not want a big department like this to go rogue. Mr. Spagnoletti stated he thinks it is important for a department of his size to be close to the main building. Why does Cornell Cooperative Extension have to be in this building and my department is being relocated? It is important for my department to have face-to-face interactions with the departments we work closely with.

Mr. Wheeler commented having the department across the road and co-located downtown would make it easier than having them at the farm.

Ms. Lattimer commented for the sake of discussion, the Public Works option was to provide space for the Public Defender and District Attorney. Mr. Spagnoletti does make some valid points. She stated that she is not in favor of locating them at the farm and she is sure we could adjust things to accommodate them.

C. *Discussion of Options* – Mr. Kukurvka informed the committee that they have included an Option 4a. This takes the reverse approach and puts everything at the farm and then a separate conference center on West Morris Street. This was done to accommodate the need for additional conference space. It was mentioned that Board of Elections does need to conduct periodic trainings. We added 1,000 square feet to the Elections space for the voting machines and a small training room at the farm site. This will help them when they receive ballots and when they need to conduct training. This option is more economical than Options 2 and 5, but is more than Option 4. Mr. Wheeler commented we absolutely would need to keep space for training and the voting machines with Elections. Having that separate would be a nightmare.

Mrs. Lando clarified when they do the training, they only have one machine and it is just as a display. Ms. Lattimer stated they have to have more training and currently there is no room big enough to accommodate that. Mr. Wheeler stated that for the custodians they do a more detailed training using the machines. It is a significant challenge finding space for them when they need to do recounts. Ms. Lattimer commented separating the staff from the machines and records is not efficient.

Mr. Wheeler stated last week he received an email from Mr. VanEtten asking about the space needs for conference and meetings. He distributed a handout showing the departments that would utilize additional conference space and the approximate number of annual events needing both small and large spaces. Our need for large space is significant and our need for small space is even more significant. The biggest user of small spaces is the Department of Social Services. Both the Department of Social Services and the Office for the Aging indicated that ideally would like to have private space to meet with clients, as currently privacy is a concern when they meet with clients. By having a separate conference space, it opens up the space that we have in this building. He commented that he feels the numbers provided by the departments are conservative.

Mrs. Ferratella stated one of her concerns is she wants to make sure we are not losing our small spaces in this building to accommodate a larger conference center. Some of these departments need space within their areas. It would be more efficient if the Department of Social Services did not have to go across the street to utilize conference space. The Office for the Aging is using the F1 Conference Room for privacy and she would hate to see that go to office space. Mr. Wheeler stated we would need to look at accommodating that. We may be able to renovate that room to make it a more subdivided room.

Mrs. Ferratella commented none of the options include the Mental Health building. Mr. Wheeler replied the Mental Health building is an option no matter which option you choose. Mrs. Ferratella stated the entire process was to decide whether to purchase or lease the building. Have we received any direction on that? Mr. Wheeler replied we are waiting for the final report from Labella. Once we get that, we will be at a point to discuss those options. He anticipates having the report at the beginning of the year.

Mrs. Ferratella stated Mr. Spagnoletti's point about Cornell Cooperative Extension is valid. She stated she does not know how much interaction they have with our employees here. Mr. Wheeler stated that is certainly an option. The last time we looked at the option of moving them was when we were looking at renovating the Old Health Care Facility. The issue was that when they scoped their needs, it ballooned. If we decide to move them to a new space, we will have to manage them with regard to their expectations. The construction of a kitchen space and other things they currently have now would be an additional cost. This is an option that we have talked about.

Mrs. Ferratella stated when you build this building it was decided not to build up. Is that an option for across the street and if so, how much more expensive would that be? Mr. Kukuvka replied it is a premium. Once a decision on an option has been made, we can articulate that premium for you. Mr. Hanna asked is it a set dollar amount per square foot? Mr. Kukuvka replied it is calculated on a case-by-case basis. It is one of the premiums we suggest you do. If you decide to exercise that option, you do not want to have to vacate those floors during construction. If you opt to want to do that, we build the roof as a reinforced floor. Mr. Alger commented if you build the structure to support another story, you should just put it up.

Ms. Lattimer stated she is still in favor of Option 5 and after looking at the financials, she does not see the difference over the long-term between that and Option 4a and having to scale back the plan and go through the angst of dividing up departments.

MOTION: RECOMMENDING OPTION #5 TO THE LEGISLATURE FOR CONSIDERATION AS THE PROPOSED NEW RECORDS STORAGE/OFFICE SPACE FACILITY MADE BY MS. LATTIMER. SECONDED BY MRS. FERRATELLA FOR DISCUSSION.

Mr. Hauryski stated he is in favor of Option 5. For all practicable purposes, we want to have some forethought into the future. For the price, this meets all of our needs in making operations more efficient and also meets the needs of our constituents.

Ms. Lattimer stated in the late 80's it was our foresight to make government operations more efficient and that is why this building went up. We do not want to embark on a project that does not make our operations more efficient.

Mrs. Lando commented that when she was working at Corning and the locations of her department were split, she spent most of her time going back and forth into Corning and they ended up moving us back to a central location.

Mrs. Ferratella commented that the reconfiguration of this building also needs to be studied.

VOTE ON PREVIOUS MOTION: ALL BEING IN FAVOR. MOTION CARRIES 3-0. Resolution Required.

D. *Next Steps* – Mrs. Lando asked what is the next step if the Legislature passes this? Mr. Wheeler replied once the Legislature chooses an option, Labella will get more into the design of the facility. Mr. Kukuvka stated we will begin the schematic phases.

Mr. Swackhamer stated you also need to think about the maintenance and security of the new buildings.

Ms. Lattimer asked Mr. Donnelly to provide a handout of the figures that he presented today. Mr. Hauryski stated that he would also like him to provide any information that he gets from Rural Development.

Mrs. Ferratella asked what is the timeline that we will be looking at if this is approved? Mr. Kukulka replied a rough timeline would be 9 months to design. We then would anticipate 2 months to bid and award and then 9 – 12 months of construction. Keep in mind that we are also doing two buildings. The earliest you would have a ribbon cutting ceremony would be January – February of 2018.

MOTION: TO ADJOURN MADE BY MRS. FERRATELLA. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 3-0.

Respectfully Submitted by

Amanda L. Chapman
Deputy Clerk
Steuben County Legislature