



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

PERSONNEL AND FINANCE COMMITTEE

MARCH 14, 2022, 4:00 P.M.

Committee Members Present: Chair Sheila Niezgodski, Vice-Chair Eli Wax, Rachel Thomas Morgan, Troy Warner, Henry Davis Jr., Aaron Steiner

Others Present: Dan Parker, Bernado Malone, Dawn Jones, Victoria Trujillo, Bob Palmer, Chief Scott Ruszkowski, Sharon McBride, Eric Horvath,

Agenda: Bill No. 08-22 – Q1 2022 Additional Appropriation Ordinance

Members marked with an asterisk (*) are present digitally

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=353647>

Committee Chair Sheila Niezgodski called to order the Personnel and Finance Committee meeting at 4:00 p.m.

Bill No. 08-22 – Q1 2022 Additional Appropriation Ordinance

City Controller Dan Parker presented Bill No. 08-22 which is a budget amendment request for additional appropriation ordinance. The bill requests to increase the budget and provide for additional items that were not contemplated in the initial budget. The request is for eight million five hundred thousand dollars (\$8,500,000), and seven million eight hundred thousand dollars (\$7,800,000) of the total amount is related to the request for the purchase and renovation of the South Bend school's administration building which has been discussed at school board meetings and other community meetings.

The opportunity presented in Bill No. 08-22 is the purchase of the SBCSC administration building at 215 Dr. Martin Luther King Jr. Boulevard to become the new South Bend city hall. The tentative purchase price is two million eight hundred thousand dollars (\$2,800,000), which is under negotiations. The facility underwent a seven million five hundred thousand dollars (\$7,500,000) renovation update in 2005 and an appraisal indicated that the building is well maintained. The facility is connected to covered parking with additional parking garage and public surface parking within two (2) blocks.

The purchase of the SBCSC administration building will enhance operational efficiency and accessibility as follows:

- The expansion of space for current CCB workers

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- Consolidation of City departments which may save approximately fifty-eight thousand dollars (\$58,000) in rental costs for the water works administration building
- Enhanced accessibility for the public
- Dedicated Council chambers and meeting space
- A fifty percent (50%) increase in usable square feet

Additional benefits were outlined:

- Enhanced partnership with South Bend schools
- Benefits to the South Bend Community School Corporation including reduced ongoing operational costs which allows for increased investment in classrooms and the reduction of the capital asset portfolio to align with the number of students

The purchase price of two million eight hundred thousand dollars (\$2,800,000) aligns with the pricing analysis and appraisal received from the school. Proposed renovation costs are approximately five million dollars (\$5,000,000). Ongoing maintenance and operational costs would be approximately four hundred thousand dollars (\$400,000). The City of South Bend currently pays twenty-six and five hundred fifteen thousandths' percent (26.515%) of all CCB costs, which is approximately six hundred thousand dollars (\$600,000) per year. The move to the SBCSC could provide savings of approximately two hundred seventy-five thousand dollars (\$275,000) in annual and ongoing savings with the number growing to over three hundred thousand dollars (\$300,000) in approximately ten (10) years. The overall repayment period with a seven million eight hundred thousand dollars (\$7,800,000) million investment is approximately twenty-one (21) years.

The estimated renovation cost of five million (\$5) million includes high-level estimates for the replacement of elevators and any other necessary structural repairs or replacements. The structural elements will be evaluated through architect engagement and an external FCA consultant. In 2023, council had appropriated funds to conduct a full facilities condition assessment to gauge the life cycle of building components. A full security assessment is planned to part of the architect engagement. The police department will be engaged to ensure they are involved in the security planning. Space planning will also be part of the architect engagement.

The process overview was highlighted for the Committee's information. On January 24, 2022, the SBCSC passed a resolution that indicated their intent to sell the administration building to the City of South Bend. Within fifteen (15) days of the passed resolution, the SBCSC submitted an application to the Indiana Attorney General for approval and the Attorney General had thirty (30) days to respond upon receipt. The council approval will authorize the appropriation of funding to allow for the hiring of the architect and the continuation and finalization of negotiations. At the conclusion of the meeting, the SBCSC and City Board of Public Works must adopt substantially identical resolutions authorizing the sale on terms and conditions agreed upon for the sale.

The intention is to close the deal during the summer of 2024 with the school relocating at that time.

The floor was opened to questions or comments regarding the presentation.



Councilmember Eli Wax inquired about the actual amount that may be required out of the five million dollars (\$5,000,000) budgeted for renovations.

Dan Parker responded that an architect has not been engaged yet; therefore, the full scope has not been determined. The five million dollars (\$5,000,000) million budget is generous and the entire balance may not be required.

Public Works Director Eric Horvath reiterated that the precise costs are unknown and an analysis of the building components is required to confirm an estimate. The elevators are aging and will require an update, and additional security measures such as key card readers will be considered.

Councilmember Wax suggested that the council wait until the estimates are confirmed before appropriating funds.

Dan Parker responded that the appropriation would allow for the engagement of the architect to provide estimates.

Councilmember Troy Warner inquired about the number of AEDs that will be purchased.

Chief Scott Ruskowski noted that there are currently one-hundred and sixty (160) patrol units and the number of AEDs will be confirmed.

Councilmember Rachel Thomas Morgan inquired if the County will need to address any items including resolutions or agreements.

Dan Parker responded that no action is required from the County, as they own the building utilized at the present time, and the City of South Bend pays approximately twenty-six (26%) per the rental agreement. Ongoing updates will be provided to the County.

Councilmember Wax expressed reservation appropriating funds until a spending plan is determined.

Councilmember Henry Davis Jr. inquired about the cost of constructing a new building.

Dan Parker commented that the cost is undetermined; however, an organization is constructing a new building at a cost of approximately twenty million dollars (\$20,000,000). At sixty-five thousand (65,000) square feet, the cost would be approximately under ten million dollars (\$10,000,000) without the cost of land.

Public Works Director Eric Horvath noted that new construction costs for a mid-rise commercial building are significant.

Committee Chair Sheila Niezgodski commented that the five million dollars (\$5,000,000) estimate for renovations may be conservative and the renovations of elevators could be a costly endeavor.

Committee Chair Niezgodski motioned to send Bill No. 08-22 to the Committee of the whole with a favorable recommendation which was seconded by Committee Member Tomas Morgan and carried by a vote of five (5) ayes.



Committee member Troy Warner - <i>Aye</i>	Committee Member Rachel Thomas Morgan - <i>Aye</i>
Committee Chair Sheila Niezgodski - <i>Aye</i>	Committee Vice Chair Eli Wax - <i>Aye</i>
Committee member Henry Davis Jr. - <i>Aye</i>	Citizen Member Aaron Steiner - <i>No response</i>

With no further business, Committee Chair Niezgodski adjourned the Personnel and Finance Committee meeting at 4:31 p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

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