



**PUBLIC BUILDING COMMISSION**  
**MINUTES OF THE VIRTUAL ADMINISTRATIVE OPERATIONS COMMITTEE MEETING**  
**HELD OCTOBER 12, 2022**

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbcchicago.com

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The Administrative Operations Committee of the Public Building Commission of Chicago held a virtual meeting on October 12, 2022, at 1:00 p.m. The meeting was livestreamed.

The following Committee members were present:

Chairman Jose Maldonado  
Commissioner Arnold Randall  
Commissioner Olga Camargo

Also present:

Carina E. Sánchez  
Ray Giderof  
James Borkman  
Tanya Foucher-Weekley  
Mary Pat Witry  
Bryant Payne  
Rudy Manning  
Langdon Neal, Neal and Leroy

The reading of the minutes of the September 7, 2022, Administrative Operations Committee meeting, which was previously distributed, was dispensed with. Upon motion duly made and seconded the minutes were unanimously adopted.

Pursuant to Section 2.06(g) of the Open Meetings Act, a public comment period was held. No comments or statements were presented by any persons.

The Executive Director reported on a bid opening for Contract 1603 - the Works Progress Administration (WPA) Street Reconstruction (Medill Avenue) Project. The PBC invited all contractors to bid on the contract for the WPA Street Reconstruction on Medill Avenue. The project consists of street reconstruction including full depth pavement reconstruction on West Medill Avenue between North Oak Park Avenue and North Normandy Avenue.

The PBC held pre-bid and technical review meetings. Three bids were received, and the PBC anticipates an award recommendation at the Annual Board Meeting to be held on October 13, 2022.

The Executive Director also reported on the updated PBC Employee Handbook. The handbook has been updated and is being reissued to include changes to align with Illinois law and Chicago and Cook County Ordinances.

To keep the PBC's policies current, the PBC is reissuing the entire handbook to incorporate changes with new and amended employment related laws, as reviewed by General Counsel. The most significant changes were made to the anti-harassment policy. By reissuing the entire handbook, staff will be informed of changes and will have one place to review all the current policies in the PBC's electronic payroll system. The Executive Director noted that a memo was provided to the committee to summarize the updates to the booklet.

The Executive Director introduced the Proposed 2023 PBC Administrative Budget and the 2023 Richard J. Daley Center Operating and Capital Budget. Director Sánchez stated that as public developer, the PBC is entrusted with public resources and understands the importance of this responsibility and has the highest level of accountability and transparency in managing and reporting how taxpayer supported dollars are spent. The Executive Director introduced the Director of Finance, Tanya Foucher-Weekley, to provide the detailed budget reports.

The AO Committee accepted the reports provided by the Executive Director.

The Director of Finance first provided a report on the 2023 PBC Administrative Budget and stated that the single source of resources for the agency is through a Project Administrative Fee generated from the Work in Place (WIP). PBC forecasts the WIP based on the estimated upcoming Work in Place throughout the year.

A chart was reviewed that depicts a view of the actual and anticipated WIP over a 6-year period. The chart shows the validity of the PBC's WIP over a six-year period. During 2019-2020 the PBC's actual WIP was \$224 million and \$251 million respectively. This WIP was largely generated from the 2019 CPS Capital Improvement Program. As that program has aged and reached completion, the actual WIP drastically decreased to \$95 million in 2021. The WIP projection for 2022 and 2023 is \$103 million and \$111 million respectively.

The Director of Finance reported that for over twenty-five years, CPS was the largest client of the PBC. The WIP by Agency Chart demonstrates that CPS is no longer the majority client working with the PBC. Currently, without any significant program announcements, the WIP projection has further decreased to \$40M in planning, based on current undertakings for 2024.

The Director of Finance referenced the 2022 budget presentation and the steps PBC has taken, from 2017-2019, to establish reserves to ensure maintaining a stable resource flow and afford PBC's continued administrative workflows to account for fluctuating WIP levels. That effort was successful, however last year it was reported that if the current WIP levels did not change in 2022, the PBC surplus generated would be used to offset the deficit and the surplus would be exhausted in the 2022 budgeted year. Today, with only \$14.9 million in WIP undertaken for 2022, the PBC will exhaust the surplus at the end of the year. The WIP includes the upcoming CPS Formulation for the Near South Side High School to be presented at the October Board meeting.

The Director of Finance reported on the Estimate of Resources available for the 2023 Administrative Budget. The total 2023 Projected Resources are \$6,982,136 – which include

- Administrative Fee anticipated on undertaken active projects - \$5,176,436
- Direct Reimbursables - project management time and reimbursement from the building for insurance expense - \$1,805,700

The proposed 2023 Administrative Budget expenses show an overall decrease of 2% or (\$204,735) from the 2022 budget.

The total administrative expenses budgeted for 2023 are \$8,257,514.

A full review of all expenses is listed below:

- Total personnel services are \$4,959,625 decrease of (\$269,610) - Staffing decreased 15%
- Insurance Expenses - \$807,788 increase of \$60,788 - Due to market rates for insurance
- Legal Fees - \$182,000 decrease of (\$6,000)
- Inspector General Fees - \$202,400 decrease of (\$4,907)
- Professional Service Fees - \$342,000 increase of \$4,000 - Attributable to increase in audit service fee
- Rent/Leasehold - \$707,268 decrease of (\$5,159)
- Office & Other Administrative Expenses - \$203,750 decrease of (\$8,050)
- Computer Maintenance, Equipment and Software - \$452,683 increase of \$24,203 - Attributable to increase for E-Builder Software service
- Contingency - \$400,000 - no change

Based on this budget, the 2023 Administrative Expenses exceed the Resources by \$1.5 million.

Next the Director of Finance presented the 2023 Operating and Capital Budget for the Richard J. Daley Center. The budget is prepared in conjunction with MB Real Estate Services, the Property Manager for the Richard J. Daley Center.

The overall operating goals for the Richard J Daley Center are to ensure the security and health safety of all building occupants, pursue new renewable energy measures, and bolster building safety and emergency preparedness.

One of the primary operating goals for 2023 is the procurement of tenancy for the retail space on the Concourse Level of the Richard J. Daley Center. The building is in lease negotiations with an MBE coffee shop to replace Starbucks.

Leasing this vacant space will provide a rent stream and provide added convenience to tenants and visitors in the building.

The 2023 Operating Expense Budget is \$19,902,064 and reflects a minimal increase of 1.30% over the 2022 Budget of \$19,646,871.

The 1.30% increase in Operating Expenses equates to \$255,193 and is primarily a result of annual increases to utility expenses stemming from enhanced operations of the building's mechanical systems. Annual increases to union cleaning, security and engineering wages are also contributing factors.

Elevated levels of cleaning and disinfection staffing are all COVID-19 mitigation efforts that started in 2021 and are projected to continue through all of 2023 and represent \$710,000 of the projected increase in operating expenses.

The Daley Center Operating and Capital Budgets are allocated among tenants based on occupancy use. The Percentage for Operating Expense Allocation for 2023 - Cook County 94.92%, City of Chicago 0.344%, Illinois Liquor Control Commission 0.739%, Illinois Workers Compensation Commission 1.008% and the PBC 2.985%.

The proposed 2023 Capital Improvement Plan for the Richard J. Daley Center includes projects such as chiller isolation valve installations, lobby lighting conversion to LED, building security enhancements and the design and installation of electric vehicle charging stations. The proposed Capital Improvement Plan for 2023 totals \$3,792,000 which represents a (\$258,000) decrease over the 2022 Capital Improvement Plan Budget. There are nine capital improvement projects anticipated for 2023.

Commissioner Randall asked a question regarding the PBC's 2023 Administrative Expense Budget. Are there any possible additional projects coming to the PBC? The Director of Finance responded that the PBC has some CPS and City projects that are in the Formulation stage. She indicated that if the PBC receives full Project Undertakings, the WIP will adjust accordingly. The Director of Finance stated that in the past, the PBC had large programs, that included multiple projects, which allowed the agency to forecast the value of work over time. The Director of Finance explained that currently there are no announced significant programs.

The Executive Director further explained that Project Formulations may progress to full Project Undertakings, but construction projects are over multiple years, so even with one major project, that value is broken up over several years, until the project is closed out. The agency needs a minimum of \$300 million worth of WIP each year to maintain current work levels. The Executive Director added that the agency is currently at very low staffing levels.

The AO Committee accepted the reports from the Director of Finance.

The Director of Procurement reported on eight (8) task order awards for Specialty Consultant Services to previously appointed firms. Seven awards are to Minority, Women or Minority and Women Business Enterprise firms.

**Environmental Engineering Services**

Environmental Design International, Inc. (MBE/WBE)

- Dett Elementary School, \$124,920

**Environmental Reno/Demo Services**

Carnow, Conibear & Associates, Ltd. (WBE)

- Pershing Road Center Building Upgrades, \$69,408
- Sauganash Elementary School Annex, \$276,591.20

Specialty Consulting, Inc. (MBE)

- 25<sup>th</sup> District Police Station and Area 5 Garage, \$61,620

Verde2 Environmental Solutions

- Central Hearing Facility, \$74,502

**Construction Material Testing and Inspection Services**

Interra, Inc. (MBE)

- Decatur Classical Elementary School Annex and Reno, \$2,871

**Geotechnical Investigation Services**

GSG Consultants, Inc. (MBE)

- Taft Freshman Academy, \$16,488

**Surveyor Services**

DB Sterlin, Consultants, Inc. (MBE)

- Dett Elementary School Annex, \$28,500

The Director of Procurement reported on a recommendation to approve an amendment for IT Services for Server Migration and Maintenance Services to Synapse. This amendment revises the compensation of the consultant for IT support and cloud hosting services. The Maximum Compensation and term of the agreement remain unchanged.

Commissioner Camargo abstained on the task orders for Verde2 Environmental Solutions, LLC and Interra, Inc. The AO Committee accepted the reports from the Director of Procurement.

The Chief Development Officer reported that there are no Change Orders, and one Field Order was issued, below the reporting threshold. The full report is as follows.

**Sauganash Annex II and Renovation** / General Contractor / C1601 Tyler Lane Construction, Inc. / Original Contract Value: \$26,123,953.00 / Revised Contract Value: \$26,123,953.00

011 9/15/2022 \$5,612.00 Revisions to the gym floor logo to include school name based on revised logo provided by User

The AO Committee accepted the report from the Chief Development Officer.

The meeting was adjourned.