

Harvey Public Library District

Finance Committee Meeting

November 14, 2019

Call to Order: President Patterson called to order the Finance Committee of the Whole Meeting of the Harvey Public Library District at 6:03p.m.

Roll Call:

Present: Trustee Mauzkie Ervin, Trustee Jerlene Harris, Treasurer JoAnn Nesbitt and President Roberta Patterson

Absent: Secretary Charwana Morgan and Trustee William Whitaker,

BILL AND ACCOUNTS

President Roberta Patterson asked if there questions. Trustee Jerlene Harris asked about the bill from Gallagher Mr. Daryl Crudup provided extended explanation of researched options for HVAC units on the library's roof. The main concern was to not wait too long in whatever decision the Trustees made, avoiding additional costs of burst pipes.

1. Repair without going out to bid – anticipated costs below \$25,000
Crudup provided quotes; only one company (Merts Heating & Cooling) presented a quote under \$25,000
2. Financing of new units – one company was able to finance, however, at a base of 10-percent interest with good credit

Crudup stated he conferred with Bill Garrett, Head of Building Operations at Thornton High School District 205, who explained that a bid process would take about 60 days.

Trustee Mauzkie Ervin asked about warrantees of the replaced parts from the units. Crudup explained that when replacing heat exchangers, all companies will give limited warrantees – three to four months. New parts will be added to older parts, like the transmission of a car. The new parts will get us through, but not long term. On the other hand, with new units, there is a 10-year warrantee on heat exchangers, and five years on condensers. Crudup believed there would need to be a different decision for new units in the Spring.

Trustee Ervin stated he was most concerned about seeing actual replaced parts to determine what was removed to see if the units all had the same problems. Crudup stated he will provide pictures of what is removed.

Attorney Dee Jarad asked if it was necessary to replace heat exchangers for all nine units, or could the heat exchangers for the worst units be replaced. Crudup responded all of the units are bad. Jarad asked whether the cracks in the exchangers could be repaired. Crudup said you cannot tape up cracks; carbon monoxide is emitted.

Vice President Tamika Price asked for the range price of new units. Crudup stated the range is \$75,000 - \$100,000. Patterson asked what about the quote they received in the amount of \$68,000. Crudup said that company was able to provide a lower bid because it included incentives from ComEd. Patterson asked if it was possible to receive ComEd incentives with the repair. Crudup replied no, not with repair.

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Jarad read the print on the back of the quote which included a statement that seller had one-year labor and warrantee of parts installed, but on the front of the quote, 90-day labor and warrantee of parts installed. Which is accurate? Crudup stated he would hold the vendor accountable for both, but normally it is three months.

Patterson stated if this is a three month repair, we definitely need something out to bid for full replacement by next winter. Crudup stated we are taking a chance and it is a temporary fix. Price stated it is an extremely expensive band aid. Crudup agreed.

Price asked the attorney if the unit is irreparable and needed to be replaced, and the bid process is 30 days, is there a caveat to the law that states something in an emergency situation. Jarad stated there is, but it requires three-fourths of the Board members' approval. For this Board, that is six members voting yes to replace the units. The information can be found in the Library District Act. In that Act, there is a provision that allows for emergency repairs in excess of \$25,000 because emergency circumstances exists. In addition, language has to be included about prevailing wage according to Department of Labor, in case someone complains about not being paid according to the Prevailing Wage Act.

Price asked if research was done on finance options, as she had found three companies that would provide financing. She did not agree with spending \$20,000 - \$30,000 on a band aid. Jarad stated it was not possible to spend more than \$25,000 unless you went to open bidding. Price stated it would still be 40-percent of the cost of new units. Crudup explained we did start the process for proposals, but once the attorney explained a vote requiring three-fourths approval, it took the wind out of situation.

Price asked why did it take three weeks to call for a special meeting, because it was urgent in October. Interim Director Antonia McBride stated it has been in the works for months, but it became an emergency when it got to the point where we cannot turn on the units. Patterson stated it has been known for quite some time that replacement is needed.

Jarad asked about payment terms. Crudup stated 50-percent down. Jarad said on the contract, it states 30 – 50 percent is required, and it does not state when the balance is due. Such as 30 days to determine if the units are holding up and allow the Board to vote on final payment. Crudup stated Merts was one of the contractors who was liberal with the District, even when bills were not being paid. So, those are questions/concerns that can be brought to Merts.

Price asked again why did it take three weeks to call the Special Meeting. McBride responded that she and Crudup worked on trying to obtain new units; we worked on gaining proposals, Jarad stated to ensure prevailing wage language was available; and we stopped the work on proposals as an emergency situation once we learned that a three-fourths positive vote is required.

Price stated you made the assumption that you couldn't get six people to agree. McBride stated she did not make an assumption. Patterson interjected that she knew we would need six out of seven votes. Price wanted to know why trustees would agree to a \$20,000 band aid. Patterson, Nesbitt and Ervin said sometimes parts go bad and you have to make the decision to replace parts, whether than buy new in case of emergencies, such situations even arise in your home.

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Price said we still have to look at the situation in April. Crudup said he understands that he would prefer new units as well. Price asked where are the options for financing. Patterson explained even with financing, it still falls in the category of paying for the whole thing, and requires majority approval. She didn't believe a majority could be reached. Price explained that she believed for a dire situation, more information should have been provided.

McBride explained that different situations were worked on over the past few months, including going back and forth on pricing for new units vs. replacement parts; quotes vs. the full bidding process; conferring with vendors and the Operations Manager at District 205; and learning about emergency options under the Library District Act vs. emergencies under other Acts. In addition, she tried to plan for a Special Meeting the prior week but had only one quote available for the Board. Three were provided for the current meeting, with one still anticipated.

Crudup added that he did look at one company that finances and under good terms, the District would owe \$33,000 on a \$25,000 job. He did not know the current status of the District's ability to obtain credit. Price stated we would not know until applying.

Ervin asked Price, during her research did she tell contractors that she was calling from Harvey. Price answered one financing company representative did say he approved most situations, and included a list of preferred vendors.

Jarad asked who completes regular maintenance on the units. Crudup responded Merts. Ervin asked if Merts maintained the units over the last five years. Crudup stated when money was available, Merts maintained the units. Jarad asked if Acitelli maintained the units. Crudup responded it was during a situation when the District owed Merts, Acitelli was called and responded one time, not on an ongoing basis.

Jarad asked if it would make a difference to replace the heat exchangers and surrounding components. Will the units last longer? How long do you think the units will last? Crudup stated he could not speculate, which is why everyone prefer new units.

Patterson asked trustees for a vote to decide on the next move. Patterson did not believe it was a band aid replacing the exchange heaters; it was necessary now and then look for funding, sending out to bid next year. Ervin agreed. Price stated the quote is based on what we said we need, not on inspection. Crudup stated Merts and Budd's actually went on the roof and inspected the units. Patterson asked if both companies agreed that the repair is sufficient for winter with a guarantee. Crudup stated only what is guaranteed on the contract.

Patterson called for a motion to vote on repair of the heat exchangers if there were no further opinions or questions. Price left the room without voting. The meeting stopped without quorum and vote.