

Chairman: David Vaught

Members: Michael Bass, Ed Bedore, Diego Ferrer, Ricardo Morales

### **Minutes – April 22, 2010 Special Meeting**

Present in Springfield: David Vaught  
Ed Bedore  
Mike Bass

Present in Chicago: Diego Ferrer

Present via Telephone: Rick Morales

The Board started the meeting by confirming attendance at 12:00 p.m.

Member Bedore made a motion to approve that Member Morales participate via telephone and was seconded by Member Bass. The motion was unanimously approved.

First on the agenda was DCFS lease #5303 at 1220 Centerville in Belleville. In attendance for CMS were Mr. Tony Baptist and Acting Deputy Director of Property Management Nick Kanellopoulos. Mr. Baptist stated that the first lease was DCFS/HFS lease 5303 at 1220 Centerville in Belleville. This lease is 29,995 sq. ft., which is a reduction from the current square footage of 30,775. The proposed new tenants for the lease are DCFS located at 12 N. 64<sup>th</sup> Street. This termination happened last February and the 25 staff are currently located in this location already. The other three leases that will be terminating and going into this location will be DCFS at 10251 Lincoln Trail Road in Fairview Heights; HFS 27 E. Main Street in Belleville and HFS 7 N. High Street in Belleville. All will terminate effective June 30, 2010 and will relocate to 1220 Centerville in Belleville. The total number of staff relocated to this site will be 84, which will equate to a 209 sq. ft. per person. The proposed lease is a five year term, which can be terminated after the 36<sup>th</sup> month with a 90 day notice. Base rent starts at \$11.50, which is an 18.32% reduction in the current rate of \$14.08. There are 2% increases in years 3 and 5 of the initial term and year 3 of the renewal term. The using agency will pay for the utilities. The total package of the current vs. proposed reflects a square footage decrease of 5.7%, base rent reduction of \$2.88 per foot and 18.2% decrease for an annual base rent reduction of \$10,561 or a 2.97% decrease. It is a good lease for the State and all agencies involved and the many clients they serve on a daily basis. Mr. Baptist requested the Board's approval on this lease.

Director Matt Brown asked for Mr. Baptist to explain the requirements to vacate the building and to produce a certain amount of build-out to terminate the leases to transition into the new facility. Mr. Baptist replied that CMS is proposing to relocate all 56 staff in Belleville to the Centerville address. The Belleville lease is 30,775 and DHS currently occupies 75% of that space. Once they have been relocated the lessor will complete the improvements and ready the space for the two HFS leases and the DCFS lease. That build-out will take about 4-5 weeks to complete. CMS will stage these moves over time and this will take about 4-5 weeks. There will be a vacancy rate of about 30-50% of the facility in order for these improvements to take place. Member Bedore

asked what the square foot per employee will be after the build-out. Mr. Baptist replied 209 sq. ft. Member Bedore asked that when they move out of the building CMS can set it up the way that they wish. Mr. Baptist replied affirmatively. He also stated that there is \$300,000 worth of improvements in the plans and have been worked out with the agencies. CMS has the layout and the design, but still need the approval from the Board. Member Bedore wanted to know who was paying for the build-out. Mr. Baptist replied the lessor. Member Bedore commented that based on another governmental agency from the City of Chicago they just came out with space standards. And based on their space standards, after you exclude the common areas their square footage will be about 110 – 150 sq. ft. per employee. Member Bedore wanted to know how CMS can justify 209 sq. ft. per employee. Mr. Baptist replied that it is just the layout of the facility. The space standards for CMS are 275 and they are under that threshold. Mr. Baptist stated that he can answer how to justify that and believes that 209 sq. ft. per person is a good rate and meets space standards. Member Bedore stated that CMS needs to be looking at their space standards, because to him it is outlandish. Member Bedore had a chart showing that a Commissioner in the City of Chicago gets 240 sq. ft. and you are saying that CMS space standards are 275.

Chairman Vaught asked Mr. Kanellopoulos if under the space standards the smallest unit is 80 sq. ft. per person. Mr. Kanellopoulos replied that there are cubes that ranged at 64, but there are others that are smaller. He also stated that CMS might also implement some that go as low as 35 sq. ft. per person for an employee that does not see clients and can fit files and another chair. Chairman Vaught asked if the headcount at this facility is 84. Mr. Kanellopoulos replied affirmatively. Chairman Vaught wanted to know how many were field staff not in the office every day. Cindy Mills, representative for DCFS, replied about half are in the field. She could get the exact numbers, but did not have them with her. Chairman Vaught stated that half is about 42 people, are there 42 work stations or do they double up and only have 21 work stations? Chairman Vaught asked if doubling up work stations is a part of their space standards or do they not take that into account when they have field people. Because DCFS has a lot of field people and have the highest mileage reimbursement of any State agency, because they are required to drive around a lot to investigate abused and neglected children. Mr. Kanellopoulos replied that he would have to check to be sure, but does not believe that the current draft talks about personnel doubling up. Member Bedore stated that in the past CMS has stated that they couldn't do anything because they are in this building and would cost more to rehab and reduce the space. Here is a perfect opportunity. CMS is going to do a build-out so why not reduce the space? Why not set up stations to double up employees that are only in the office a few days a week to help reduce unused space? Ms. Mills stated that the one thing with DCFS is that they have a lot of files and retention laws that DCFS has to go by. There is more file space that is associated with this than the space an employee needs. Member Bedore stated that it is not answering the question. Member Bedore stated that in the past he has talked to employees in the building and they said that one employee is in the office one afternoon or two days in the morning. Ms. Mills replied that the cubes are small and the design is not set up to put two people in one cubicle. Ms. Mills stated that they come in and out of the office as investigations come up and if everyone was in the building at one time there were be no place to put them. The nature of DCFS business dictates their activities. Chairman Vaught asked if the next lease was related to this lease and if the Board needed to hear that lease before any actions needed to be taken. Mr. Baptist replied affirmatively.

The next lease was DHS lease #5467 at 225 N. 9<sup>th</sup> Street in East St. Louis. The current lease is a 364 day lease from February 2010 to September 2011. The 25,000 sq. ft. facility will house 84 people. The sq. ft. per employee is 212. This facility was a build to suit back in 1999. It originally housed 80 staff. Since that time they have lost a significant amount of staff. The crises

that the State has been in have not allowed the agency to fill these positions. Due to these circumstances there are only 28 staff left at this location. CMS is proposing to relocate all 56 DHS staff located at 1220 Centerville in Belleville to this location. The Belleville lease is 30,775 sq. ft. and DHS currently occupies 75% of this space. Once the Belleville staff is relocated the lessor will ready the space for two DHS leases in Belleville and one DCFS lease in Fairview Heights. It will take about 4-5 weeks for the build-out. These three locations must be moved by June 30, 2010. HFS Belleville and DCFS Fairview Heights leases consist of 59 staff. DCFS staff in Belleville currently occupies 25% of the space at the Centerville location. Once this consolidation takes place there will be 84 staff located at Centerville. CMS plans to locate the 56 Belleville staff to East St. Louis beginning on May 7<sup>th</sup>. There will be vacant space in Centerville during this transition for about 4 weeks. During these 4 weeks CMS is looking at having about 30-50% vacant space for rehab purposes. This lease has been in holdover since 2009 with no increase since its inception in 1999. The proposed lease is a five year term with a termination option after the 36<sup>th</sup> month. There is a 17.76% decrease in base rent in the first year with a 2% increase in year four. There is also an amortization of \$2.26 a foot over five years for a high density file system. The file system is critical to this location for the consolidation to work. Currently there are 400 files at Belleville and 200 at East St. Louis. Once this system is installed all 600 files will fit into this space where currently 200 files are. This system will pay for itself in a little over five years. This is a good lease for the State and all agencies involved and CMS asks the Board's approval.

Chairman Vaught wanted to know if CMS has a summary of how much square footage is being consolidated. Mr. Kanellopoulos replied that the leases that will be consolidated into Belleville are lease 5122 which is 8,835 sq. ft., lease 5123 which is 5,600 sq. ft., lease 5030 which is 14,295 and lease 5847 which is 3,100 sq. ft. The total of 61,825 sq. ft. will be going down to 29,995 sq. ft. This is one transaction. The second transaction will move the people out of 5305 and move them into East St. Louis and the square footage in East St. Louis will stay the same.

Member Bedore wanted to know how many employees are at East St. Louis right at this time. Mr. Baptist replied 28. Member Bedore wanted to know how long it took to figure out that there are 28 employees for 25,000 sq. ft. Drinda O'Connor with DHS replied that it has been known for quite some time. Over the last four years DHS has looked at different options over time trying to make different consolidations and also looked at different counties to consolidate, but were unsuccessful. Member Bedore applauded CMS and DHS for making this consolidation, but is not happy it took so long to get done. Mr. Kanellopoulos re-stated that CMS and DHS has know about the situation and have looked at different options and found those options did not work, but in the end this solution worked and decided to execute it. Member Bedore asked why CMS did not go back to the lessor and re-negotiate less space. Why did it take four years? Mr. Kanellopoulos replied that four years ago there were over 300 holdover leases and CMS was trying to put fires out and this lease had not become a fire. So, until the holdover leases were under control CMS was not able to do anything with this lease. Member Bedore expressed in frustration that the Board needs to really look at the square footage in the future on leases. No further comments or questions were asked.

Chairman Vaught stated that there needs to be an extra motion to grant permission for CMS to pay rent on lease 5305 in Belleville for a maximum of 60 days while the occupancy is partially vacated to lease 5467 in East St. Louis and the Belleville facility is built-out to accommodate the consolidation of lease 5122, 5123, 5053 and 5087 which are being terminated. A motion was made by Member Bass and was seconded by Member Bedore. The motion was unanimously approved.

A motion to approve lease 5305 was made by Member Bass and was seconded by Member Morales. The motion was approved with a 4-1 vote with Member Bedore voting present.

A motion to approve lease 5467 was made by Member Bass and was seconded by Chairman Vaught. The motion was approved with a 4-1 vote with Member Bedore voting present.

With no other business to discuss Member Bass made a motion to adjourn and was seconded by Member Bedore at 12:30 p.m. The motion was unanimously approved.