12/19/2023

THE MINNEHAHA COUNTY BUILDING COMMITTEE CONVENED AT 8:00 AM on December 19, 2023, pursuant to adjournment on November 7, 2023. COMMISSIONERS PRESENT WERE: Bender, Beninga, Bleyenberg, and Kippley; Facilities Director Kriens, and Commission Administrative Officer Greco. Also present were Kym Christiansen, Commission Recorder, and Eric Bogue, Chief Civil Deputy State's Attorney.

Chair Bender called the meeting to order.

MOTION by Beninga, seconded by Bleyenberg, to approve the meeting minutes from November 7, 2023. 6 ayes.

JUVENILE JUSTICE CENTER BRIEFING

Dave Derry, Mike Ralston, and Tom Novak, Henry Carlson Construction, provided a briefing on the guaranteed maximum price for the Juvenile Justice Center project. The development of the guaranteed maximum price was based on the design created by Architecture Incorporated and HDR as well as input from the Juvenile Detention Center staff, UJS staff, Facilities, IT, and Tegra. The briefing highlighted three different cost models for the Juvenile Justice Center. The first cost model is the design development cost model with a building construction guaranteed maximum price of $42,590,000. The second cost model is the schematic design cost model with a building construction guaranteed maximum price of $41,726,559. The third cost model is the conceptual cost model with a building construction guaranteed maximum price of $40,876,568. The briefing went to highlight the cost summary, scope modifications worksheet, and basis of the guaranteed maximum price and draft project schedule along with potential alternates that are available for this project. It was the consensus of the building committee to send a recommendation to the Commission in January of 2024.

PROPERTY INSURANCE BRIEFING

Todd Flickema, HUB International Director of Professional Risk Services, presented the 2024 property liability insurance policy rates. Minnehaha County's annualized premium for 2023 is approximately $260,000 and the recommended coverage for 2024 results in a premium of approximately $363,000. Travelers insurance will remain the carrier. The increased premium is a result of a hard market cycle that has been picking up pace over the last few years. A hard market cycle in insurance is characterized by raising rates (premiums), tightening terms, and reduced carrier capacity. These conditions can be ushered in specifically by claims from events such as hurricanes, floods, wind/hail events, and other events. The frequency and severity of these have picked up nationally and the frequency has continued. The result has been increasing rates and terms such as deductibles for wind/hail. Some notable changes to the renewal terms include: the wind/hail deductible will increase from 1%/min, $100,000 to 2%/min, $250,000; increase of deductible from $50,000 to $100,000, resulting in a rate change of 21% over current policy. The following steps were taken to ensure the best value for the County: inquiries to a total of 19 carriers with Travelers being the only carrier to provide a quote; Minnehaha County initially requested a 5% increase in values to approximately $228,000,000; Travelers assessment initially resulted in the valuation of approximately $288,000,000; negotiated valuation to approximately $260,000,000 and removed Expo building from blanket limit. The presentation also highlighted the three cost scenarios based on all other perils deductible of $50,000, $75,000, and $100,000. Due to the County's loss history, a $100,000 deductible provided the best value because "all other perils" losses are infrequent compared to wind/hail losses.

MOTION by Beninga, seconded by Kippley, to adjourn. 6 ayes.

APPROVED BY THE BUILDING COMMITTEE:

Building Committee Chair

12/19/2023

ATTEST:

Kym Christiansen
Commission Recorder