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## MEMORANDUM

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**TO:** Mayor and Council  
Borough of Hightstown

**FROM:** Dawson Bloom, PE  
Project Manager

**DATE:** March 15, 2013

**RE:** Hightstown Borough Hall Progress Update #5  
Our File No.: H1543

### **Borough Hall Reconstruction**

On March 1, 2013 I sent the bid costs for the modulars to the insurance adjuster for review. On March 12, I spoke with the adjuster regarding several items:

1. I reiterated that any settlement regarding the Lucas property was off of the table and to notify the insurance carrier accordingly. I followed up on this in an email to him on March 13.
2. He indicated that he had forwarded the costs for the modulars and site work to the insurance carrier's consultant J.S. Held but had not heard back. He said he would follow up. He did indicate to me that he thought the costs were recoverable.
3. I informed him that the Borough was also considering some storefront lease for the administrative offices and as soon as I had details I would provide them to him.
4. I informed the adjuster that the Borough re-iterated its position regarding the complete demolition and reconstruction of Borough Hall at its current location and that would be the basis of our discussion moving forward.
5. We agreed to schedule a conference call for the week of March 18 with myself, Councilwoman Woods and the adjuster to continue the discussion on the resolution of the claim.

On March 13, 2013 I spoke with the adjuster to follow up on the information I had sent to him regarding the Interim Facilities and Site Work costs. He indicated that, according to the policy, there was a sub-limit on the Limit of Liability for the policy and that all costs for the reconstruction, inclusive of interim costs and soft costs were subject to this limit of liability.

The adjuster sent me some documentation which discussed the deductibles, extra expense costs, including costs for demolition and code compliance, and the Limit of Liability he had mentioned in our telephone conversation. After initially reading the documents, I believed that the costs for the interim facilities were covered outside the Limit of Liability, which would be consistent with the Borough's current understanding regarding the various costs associated with this claim. I emailed the adjuster to further clarify my understanding and he indicated that Lexington, the insurance carrier, had indicated that all cost were subject to the Limit of Liability.

I am currently reviewing the Borough's Insurance policy to confirm the information which I have recently received and I am also recommending to Council that a professional with expertise in interpreting insurance policy language ( Public Adjuster or Attorney ) be engaged to independently

provide the Borough with an assessment of its coverage limits and Limits of Liability. Once the policy coverages are assessed on the Borough's behalf we can appropriately plan our strategy for resolving this claim.

### **Interim Police Facility**

The modular police facility has been re-advertised and bids are schedule to be received on Friday March 22, 2013 at 11:00 a.m. The associated Site Improvements have also been re-advertised separately and are schedule to be received on Friday, March 22, 2013 at 11:15 a.m.

The Borough Engineer reviewed the NJDEP Permit requirements for the proposed Site Improvements for the interim facilities and reported the following:

1. The site, Block 30, Lots 4, 5, 6 and 7 is outside of the 150' Riparian Zone but is within the Flood Hazard (100 yr. Flood) limit based upon the current adopted 1977 FEMA Flood Maps.
2. Site Improvements can be completed in accordance with 7:13-7.2.a.2 of the Flood Hazard Control Act. This is a Permit-by-Rule which allows for "constructing at or below grade in a Flood Hazard Area."
3. The Borough is required to provide a 14-day notice prior to the start of construction activities in accordance with 7:13-7.1.d of the Flood Hazard Control Act.

### **Interim Administrative Offices**

I have received confirmation from Mobilease Modular that they agree to hold their bid price for the Modular Administrative and Storage facilities for an additional 60 days.

On March 12, 2013 I met with Mr. Adlerman regarding the properties at 100A and 102 Mercer Street. He provided me with a standard lease agreement which I have forwarded to Councilwoman Woods and Mr. Raffetto. The following are the specifics related to the lease:

1. Monthly rent for both properties would total \$3,310.00 broken down as: \$1,110.00/mo for 100A and \$2,200.00/mo for 102.
2. He is requesting 2 months security deposit.
3. All utility costs are paid by the tenant.
4. He is open to the suggested renovations.

On Friday, March 15, Mr. Adlerman's contractor to describe the renovations and obtain an estimated cost. He will contact the Borough's construction official to review any addition requirements and will provide an estimate to me next week.

### **Schedule of Immediate Tasks**

Based upon the Critical Path items and scheduled meeting dates, I have put together a timeline for the following items:

#### **Borough Hall Bond Ordinance**

Introduction	March 18, 2013
2 <sup>nd</sup> Reading	April 1, 2013
Funds Available	April 26, 2013

Lease for Block 30 Lots 4, 5, 6 and 7

Introduction	Completed
2 <sup>nd</sup> Reading	As late as April 1, 2013
Funds available	April 25, 2013

Sitework and Modulares

Receive bids	March 22, 2013
Recommend award	March 29, 2013
2 <sup>nd</sup> Reading Interim Lease	April 1, 2013
2 <sup>nd</sup> Reading Borough Hall Ordinance	April 1, 2013
Ordinances Clear Waiting	April 26, 2013
Award Contracts for Site and Modulares	April 29, 2013
<i>Sitework</i>	
Submit 14-day notice to DEP	before April 25, 2013
NTP Sitework	May 9, 2013
45 days to complete Sitework	June 22, 2013
<i>Police Modular</i>	
NTP Modular	May 9, 2013
Fabrication & Delivery/Setup	September 29, 2013
IT/Communications	October 14, 2013
Move-In	October 21, 2013

Storefronts

Negotiate Lease	March 29, 2013
Lease Ordinance	April 1, 2013
1 <sup>st</sup> Reading	April 1, 2013
2 <sup>nd</sup> Reading	April 15, 2013
Funds Authorized	May 9, 2013
Execute Lease	May 9, 2013
Complete Renovations	June 9, 2013
T-1/Communication Install	June 6, 2013 – July 9, 2013
Move-In	June 14, 2013

Enclosure

cc: Michael Theokas, Borough Administrator  
Debra Sopronyi, Borough Clerk  
Jim LeTellier, Police Director  
Frederick Raffetto, Esq., Borough Attorney  
George Lang, CFO  
Carmela Roberts, P.E., Borough Engineer