



Illinois Heartland Library System

TO: IHLS Board of Directors
FROM: Leslie M. Bednar
DATE: May 16, 2018
RE: Mine Subsidence Insurance Proceeds

In 2006, damage appeared in the northwest section of the Lewis & Clark Library System (LCLS) building located at 6725 Goshen Road, Edwardsville, Illinois. We know this location as the IHLS Edwardsville service hub. Provided below is an overview of the property damage investigation, provenance of insurance proceeds, repair estimates and current status.

Investigation

In approximately December 2006, staff noticed hairline cracks in the first-floor area near the back of the building in the delivery work area. Cracks also developed along the garage wall near the surface of the dock, the dock garage wall, and in the north stairwell walls and floor.

Eighteen months later the cracks had widened, and System staff opened a claim with Allied Property and Casualty Insurance Company for repairs. (Allied Property was the LCLS commercial property insurance provider.) The insurance company determined the Illinois Mine Subsidence Insurance Fund should be contacted as the damage appeared to be related.

Upon investigation, it was determined mine subsidence caused the property damage. Our Edwardsville building sits above the edge of a long-abandoned coal mine. The building was monitored from June 2008 – December 2011.

Insurance settlement

Allied Property issued payment to Lewis & Clark Library System for \$87,912.00 in September 2012. At this point LCLS had merged into IHLS with three other regional library systems and the check was deposited into the IHLS Capital Projects Fund.

These funds have remained in our Capital Projects Fund and should be identified on financial statements. I propose to reserve the amount of \$87,912.00 in the Capital Projects Fund balance for the needed foundation repairs at the Edwardsville service hub.

Repair estimates

IHLS received two estimates in 2014 to complete the structural repairs and both would have required additional capital funds to complete the project. The bids differed in cost and approach:

R. W. Boeker Company: estimate of \$143,727.00 to install 24 helical piers to stabilize garage, loading dock and northwest corner of building. Process would involve quite a bit of demolition and relocation of staff and delivery services to a temporary facility for project duration would be necessary.

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J. T. McDermott Remodeling Contractors: estimate of \$114,822.40 to seal all cracks and stabilize walls. Contractor does not recommend helical piers and building movement had ceased. Relocation of staff to a different facility would not be necessary.

The project was put on hold in 2014 for two reasons:

- fundamentally different approaches to structural repairs by mine subsidence professional contractors
- looming state financial crisis

Current status

IHLS is now able to address capital projects at our facilities and we have returned to the repairs needed at our Edwardsville service hub.

We are currently investigating whether there has been more change to the damaged areas as appears to be the case to the naked eye. Operations staff are working with the Illinois Mine Subsidence Insurance Fund and we will proceed from there. When we are confident no further movement has occurred, our next steps are development of a request for proposal to be posted, a project plan, and budget.

I will share updates with you as they are available.

Thank you.