

MINUTES OF CONSTRUCTION SUBCOMMITTEE

There was a regular meeting of the Pine Valley construction subcommittee with CG Schmidt and EUA on Monday, October 20, 2014, starting at 12:00 p.m. in the Pine Valley Activity Room.

The meeting was called to order at 12:03 p.m. by Fred Clary, chairman.

Tom Badde/CG Schmidt, Greg Zastrow/EUA, Fred Clary, Tom Crofton, Jeanetta Kirkpatrick, Ruth Williams, Virginia Wiedenfeld, Donald Seep, Bob Bellman, Larry Sebranek, Kathy Cianci, Angie Alexander, Steve Alexander, and Irene Walmer were in attendance. Visitor: Dr. Williams.

Ruth Williams moved to approve the agenda and verify the posting. Tom Crofton seconded the motion. Motion carried.

Tom Crofton moved to approve the minutes of the September 17, 2014 meeting. Ruth Williams seconded. Motion carried.

Review of prior meeting discussion included:

- Key decisions were made at previous meeting.
- Tom Crofton met with CGSchmidt and EUA prior to the staff design meeting to discuss important issues for decision making such as site, roof, HVAC and siding to get to the GMP.
- Initiated borrowing \$120,000 from trust fund. Not sure if this has been completed. Reminder that this is time sensitive with all transfers completed by December 5, 2014. Carol Wirth completed initial paperwork which takes about 30 days to process.

Numbers were rerun by WIPFLI and Carol Wirth which were outlined in the power point presentation by Tom Baade of CGSchmidt. Included in the operating budget and debt service:

- \$18,422,060 project budget
- \$350,000 Pine Valley equity
- Based on 93% occupancy
- \$0 equity may increase the annual debt service requirement by \$40,000 to \$50,000

Tom Baade reviewed projections and explained that Medicare pays more than private pay sources and down the line with Medicaid and ContinuUs on the lower

end for reimbursement. County helps subsidize at \$200,000 in addition to projected \$231,397 by 2021 for debt service not operational. By lowering the project budget numbers it would lower the subsidy by around \$50,000. These numbers are based on bottom line net income. Inflation has also been factored in to the calculations. Discussed reserves depletion, depreciation factor/non-cash expense calculations and long term maintenance, which have all been built into projected calculations.

Seven exterior and structure options were submitted, calculated on rate of inflation and future costs for the next 30 years. Option #5.1: wood stud with 30% masonry, 70% fibercement siding 8' exterior walls was the option already budgeted in at \$971,976. All options were reviewed. Tom Baade explained what the individual options included.

- Durability – all built to the same code requirements
- Life span – could last 100 years if properly maintained.
- Reviewed pre-cast options and the different designs.
- Siding – cement board, vinyl, Tom Baade will look into seamless steel.
- Ability to receive reception with wireless system – cement being most difficult versus wood/vinyl the least difficult.
- Pre-cast/studded walls would impact square footage.
- Price savings on CMU (concrete masonry unit) would be approximately \$50,000 - \$100,000.

After much discussion, Larry Sebranek made a motion to go with Option 9.1: Split Face CMU with 9' exterior walls. Jeanetta Kirkpatrick seconded the motion. Motion carried. The resident room would have to be refigured with the thicker walls.

Roof system options submitted included:

- Wood trusses
- Wood trusses – sloped to 9' at patient rooms
- Light gauge metal trusses
- Light gauge metal trusses – sloped to 9' at patient rooms
- 40 year shingles were budgeted in
- Steel roof is still an option. No decision needs to be made at this point.

Tom Baade presented six HVAC comparisons and explained initial costs, paybacks/savings, maintenance costs and long term costs. Option #5 – Boiler and DX/Gas RTU's with HWVAV, was budgeted in. Discussion items:

- Issues with using current boilers.
- Hybrid geothermal – Common option, payback exceeds expectations
- Need test well and consultant results on geothermal to determine how this would work. Tom Crofton made a motion to spend \$15,000 from the State Fund for test well on geothermal. Ruth Williams seconded the motion. Motion carried. Tom Baade will find out if this can be done in the next 30 days.
- Comfort levels for individual rooms, control heat and air conditioning in individual rooms.
- In floor heating not built into heating system, radiant panel, radiant heating to be determined. Radiant heating would be a supplement.
- Back up due to power shut down, generator system, required to have a redundancy system.
- Narrowed the options down to Option #2 – Hybrid Geothermal HVAC System and Option #3 – Boiler + Air-cooled Chiller System.
- Discussed at length the advantages and disadvantages between the Geothermal Hybrid and the Boiler System.

Break: 2:56 p.m. – 3:07 p.m.

Entry points into building other than the main entrance and employee entrance were discussed. Individual entries did not seem operational for staff, particularly on nights. Tom Crofton made a motion to not do excavation for parking lots at entries. Ruth Williams seconded the motion. Motion carried.

Location of the CBRF was discussed. Placement of where it is located now would make the next build easier and cheaper.

Phase 2 of environmental study has not been started.

Discussed demolition of existing building, which is not in the total cost. Reuse of the building was discussed but it was felt that this area had been discussed earlier without much interest from other county departments. Jeanetta Kirkpatrick made a motion to put \$500,000 in the budget for demolition of the existing building

after new building completion. Tom Crofton seconded the motion. Motion carried.

Annexation of Pine Valley property into the city would require a petition with certified survey map and all property owners in between Pine Valley and the city with a fee of approximately \$700. City could write a zoning ordinance which would take 6-12 months to complete. Many areas to consider such as utilities, sewer and water and electricity. Ben Southwick had some concerns about zoning of agricultural area. It was suggested to stay where we are at.

Emergency shelter is not an issue for Pine Valley as this is operational. The use of window dressings and use of internal hallways is sufficient.

Discussed the capacity and pressure of current water source for existing building compared to new building for such areas as the sprinkler system if it would support both buildings and be big enough. Tank looks to be sufficient. The initial study was for 20,000 gallon storage. Usage could be 20-45,000 at any given time. City has inquired about another water tower on Pine Valley property to accommodate their pressure issues. At this time it is not a topic for discussion.

Donald Seep made a motion to draw the balance of \$880,000 from the state fund account for cash flow to have by December 5, 2014. Ruth Williams seconded the motion. Motion carried. This needs to be presented to Victor Vlasak soon to be finalized by December 5th as he is very busy.

Next subcommittee meeting is scheduled for November 17, 2014 at 1:00p.m. unless notified otherwise.

Jeanetta Kirkpatrick made a motion to adjourn the meeting. Larry Sebranek seconded the motion. Motion carried.

Meeting concluded at 4:11 p.m.

Respectfully submitted,

Kathy Cianci, Pine Valley Administrator