

AMENDED MINUTES OF CONSTRUCTION SUBCOMMITTEE

There was a regular meeting of the Pine Valley construction subcommittee with CG Schmidt and EUA on Monday, January 19, 2015, starting at 1:00 p.m. in the Pine Valley Activity Room.

The meeting was called to order at 1:02 p.m. by Fred Clary, chairman.

Tom Baade & Dan Davis/CG Schmidt, Greg Zastrow/EUA, Fred Clary, Tom Crofton, Jeanetta Kirkpatrick, Virginia Wiedenfeld, Donald Seep, Bob Bellman, Larry Sebranek, Ruth Williams, Kathy Cianci, Angie Alexander, Steve Alexander, Joan Bailey, Rob Schlicht & Mike Edwin/WIPFLI, Brian Schoeneck/Leading Age and Jody Oman were in attendance.

Virginia Wiedenfeld 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 December 10, 2014 meeting. Ruth Williams seconded the motion. Motion carried.

Prior meeting was reviewed and it was decided to use Geo-Thermal with heat-pump.

Tom Crofton detailed the results received from the information submitted for the solar study.

- Natural gas versus domestic hot water
- 6 year payback on solar operating savings. Would like HVAC engineers to look into what the savings would be.
- Power Company would have to pay .12 per kilowatt hour but only pay .07 per kilowatt hour.
- Our location will not allow us to receive tax credits. Discussed annexation with city. One time capital cost of \$500,000.
- Discussed relocating facility in district to be eligible for the tax credits.
- We are eligible for geothermal credit up to \$400,000.
- Trustees will consider for remainder of county those in the new market zone.
- Solar may not be feasible for the Pine Valley project but could be feasible for hot water and could be done at a later date.

- CG Schmidt and EUA will look into more data for solar hot water with costs and operational savings and will have cost/benefit analysis by next meeting.

Brian Schoeneck stated that for modernization and incentive from state, we cannot get to cost neutral with any of the numbers. He will take a look at all of the scenarios. Model does improve with census at 94. Medicaid recognizes new cost, depreciation and interest. An explanation of MA rates was requested. Brian Schoeneck explained the daily rate is \$162.84 with the main components being the bed tax at \$9.65 per day depending on occupancy and payor mix. There is an adjustment for behavioral at \$.32 per day. Project census projections are “conservative overall” and he feels comfortable that Medicare numbers will increase over projections when the new facility opens. WIPFLi feels this model is conservatively realistic. Inflation factors were also discussed. Staffing level numbers had previously been looked at by David Slack.

Discussed the option of decreasing the number of SNF beds to 60. This would result in displacement of residents out of the county. Some discussion was voiced on the ideal number of beds. Demographics points away from the 60 bed option. It was felt the larger number of beds (80) would be more efficient. There may be a need to re-examine design elements that are non-revenue generating items. Debt levy would result in \$12.00 for each \$100,000 valuation per year.

Discussed new construction versus saving a part of the existing building. The committee may need to rethink the numbers of \$18.5M to \$21.1M. It was suggested to take out of the contingency fund or each vendor being asked to reduce their bid by 5%. This idea was not recommended by CG Schmidt. The project cost needs to be reduced by approximately \$1.4M.

Tom Baade will have Carol Wirth do some more calculations.

Fred Clary prefers to be able to present the loan request/GMP to the County Board in March. It was suggested to meet more frequently between now and March. Meetings will be held every two weeks for the next 6 weeks.

Design will continue on the resident areas. Square footage scenarios will be sought in the village commons.

The communication plan will be worked on at a later date.

It was suggested to use native wood names for the households and use similar finishes. Kickapoo High School has a woodworking shop that may be of some assistance in this area. There are several memorial trees that will need to be moved.

The Board of Trustees will discuss changing the verbiage to the original establishing resolution.

Next subcommittee meeting dates all at 1:00p.m.:

- February 2, 2015
- February 16, 2015
- March 2, 2015
- March 16, 2015
- March 30, 2015

Ruth Williams made a motion to adjourn the meeting. Bob Bellman seconded the motion. Motion carried.

Meeting concluded at 3:36 p.m.

Respectfully submitted,

Kathy Cianci, Pine Valley Administrator