

MINUTES OF CONSTRUCTION SUBCOMMITTEE

There was a regular meeting of the Pine Valley construction subcommittee with CG Schmidt and EUA on Monday, February 16, 2015, starting at 1:00 p.m. in the Pine Valley Activity Room.

The meeting was called to order at 1:00 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, Steve Alexander, and Irene Walmer were in attendance. Sarah Dunn and Kelsey Richards with CG Schmidt, Ed White and Troy Maggied from Southwest Regional Planning Commission, Steve Krueger with Richland Center City Utilities, Ila Hagenston and Echo Bristol were also 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 February 2, 2015 meeting. Ruth Williams seconded. Motion carried.

The communication plan and the schedule will be discussed at the meeting today with the plan of moving the schedule up four to six weeks.

Sarah Dunn and Kelsey Richards of CG Schmidt were present to discuss a development plan on marketing the project looking for some key messages today.

- 42% of the population in Richland County are over 65 and use Social Security as their only income
- Demographics very important to the project
- Projections of increase in older population in 10 years
- 137 years in business
- 5 Star rating
- Resource: countyrankings.com

A communication committee was appointed with Fred Clary, Ruth Williams, Jeanetta Kirkpatrick and Donald Seep as members. This committee will meet at 12:30p.m., every 2 weeks prior to the regular subcommittee meeting.

Ed White and Troy Maggied with Southwest Regional Planning commission outlined the Community Development Block Grant (CDBG) program as a possible fit for the project. The program has a maximum award of \$500,000 and a specific area must be designated for funding. Grants are only accepted in September and ground breaking cannot start until the grant has been awarded. This is a competitive program through HUD with low income and elderly population most likely to be taken into consideration. Tom Baade will contact the DOA if the remodel area, such as the Physical Therapy area, would be an area of consideration. There were some concerns with the HUD restrictions and regulations that have been addressed in the past. Bob Bellman will be attending a Block Grant seminar in Madison. This same presentation is offered as a webinar also. Anyone interested in attending with Bob Bellman can contact him.

Geothermal test well results have been sent to Matrix for final result figures with no report received back yet. Tom Baade will have the report for the next subcommittee meeting.

Solar study update was complete at the last subcommittee meeting.

Steve Krueger, Richland Center City Utilities and Fire Department, provided information on the low water pressure on the east end of the city. The city is conducting a water model study and will be putting a reservoir/water tower on this side of the city sometime in 2016. Five sites have been proposed with Pine Valley property as one of the sites under consideration. A grant could be applied for if this is the site, although only one grant can be applied for per project. Cost sharing on the water reservoir would be half city and half Pine Valley. It would cost between \$750,000 to \$1M to run a water line from the Walmart area to Pine Valley and was deemed cost prohibitive. Annual operating costs if hooked to the city water would increase approximately \$50,000. Flow models will be back in a couple of weeks with the reservoir timeline being in the fall of 2016 to be developed. Discussed the use of the existing well if hooked on to the city for domestic use and bringing water out for fire use. Steve Krueger commented the well would have to be abandoned. With the current reservoir and well, the water from the hydrants and the reservoir would be depleted in a matter of minutes. The current well is due to be pulled for the 5 year service this year with a cost of \$9-10,000. It was recommended to hold off having the well pulled at this time.

The reservoir/water tower would require approximately an acre of land which Pine Valley would have the space. The impact of the reservoir on the sewer system was questioned whether it could be left as is or not. Jeanetta Kirkpatrick made a motion to go to the next city utilities meeting on March 11th at 4:00pm, for more answers and options and bring back information and/or a proposal to the subcommittee. Fred Clary, Bob Bellman and Jeanetta Kirkpatrick will attend the utilities meeting. Virginia Wiedenfeld seconded. Motion carried.

Tom Baade reviewed the goal:

- Revised operating budget - \$18,550,00
- Geo system - \$775,121
- Demolition of current facility - \$547,750
- Total projected budget - \$19,872,871

Comparisons of project budget and per bed cost:

- Hoffman project - \$18.8 million/\$199,949 per bed
- Current project approved in November - \$17.45M/\$181,781 per bed
- Includes Geo-system, CMU structure, steel stud framing

Schedule:

- 3/27 – Design development Complete
- 4/27 – GMP complete
- 4/27 – Subcommittee meeting review
- 4/27 – Trustees meeting review
- 5/5 – County Finance meeting review
- 5/19 – County Board approval
- 7/20 – Funds available – talk to Carol Wirth

A permit schedule was submitted with the first permit to be reviewed 5/1.

The original floor plan and the revised plan were reviewed.

A detailed budget covering kitchen equipment, technology/IT and furniture was reviewed.

The cost control log was reviewed with additions and deletions. Don Seep made a motion for tentative approval, pending approximately \$100,000 in savings and two exceptions, to the cost control figures. Ruth Williams seconded. Motion carried.

Annual subsidy is around \$600,000 to \$630,000 per year. Current operating subsidy is \$250,000 with an additional \$380,000 making the debt levy about \$400,000 over 20 years. Tom Baade submitted updated cash flow to Carol Wirth.

There was some concern that the \$350,000 equity may decrease possibly due to a decrease in Medicare admissions.

Jeanetta Kirkpatrick made a motion to approve the design fees to enable the design phase to go forward. Larry Sebranek seconded. Motion carried.

Next subcommittee meeting will be March 2, 2015 at 1:00p.m.

Virginia Wiedenfeld made a motion to adjourn the meeting. Bob Bellman seconded the motion. Motion carried.

Meeting concluded at 3:52 p.m.

Respectfully submitted,

Kathy Cianci, Pine Valley Administrator