



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

BUILDING AND SITES AD HOC COMMITTEE

Meeting Minutes

Wednesday, November 18, 2015, 12:00 p.m.

812 E. Jolly Road, Conference Room G11-C

Lansing, MI 48910

Committee Members Present:

Kay Pray, Kam Washburn, Joseph Brehler, Carol Koenig

Committee Members Absent:

Maxine Thome

Staff Present:

Stacia Chick, Chelsea Christensen, John Peiffer, Sara Lurie

Public Present:

Alan Goschka

Call to Order:

The meeting was called to order by Chairperson Kam Washburn at 12:00 p.m.

Previous Meeting Minutes:

MOVED by Joe Brehler and SUPPORTED by Kay Pray to approve the meeting minutes of November 4, 2015.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Joe Brehler and SUPPORTED by Kay Pray to adopt the agenda.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

Building and Sites Committee (jh)

November 18, 2015

MINUTES ARE DRAFT PENDING COMMITTEE APPROVAL

No comment.

BUSINESS ITEMS:

812 Jolly Road Building Expansion Project Update: Schematic Design Options 1 and 2 Cost Estimates

John Peiffer and Alan Goschka reviewed schematic design Options 1 and 2. Costing estimates were provided and reviewed. Alan works closely with many construction managers and had CSM Group assist in providing an estimated cost summary. The Shell referenced in the cost estimate covers the exterior of the building such as steel frame, brick, windows, doors, and roof. The Interior Fitout includes items such as restrooms, interior walls for suites, and elevator. Sitework covers work such as moving lines, drives, and drop off areas. Cost was added for Site Specific Expenses such as building permits, fencing, etc. A Construction Contingency was added for potential unforeseen issues. The building subtotal for Option 2 is \$7,826,637 and the building subtotal for Option 1 is \$7,078,969. The overall difference for the project estimates is \$747,668. Discussion ensued regarding the additional heating, repair, and maintenance costs that would also be associated with a skylight included in Option 1. The remedy for solving the water issue has also been addressed in both cost estimates.

Alan shared a design with suggestions for easier consumer access during the 12 month construction period for Option 2. A temporary entrance could be created along the North side of the building for consumers walking to the facility. An entrance through the Atrium was considered but several ramps would need to be built to accommodate the 8-10 foot grading difference. This creates extra cost and potential safety, maintenance, and liability issues. A temporary drive for buses/vans can be created next to the West side parking lot. The parking spaces can be closed off to create more space for consumer drop off. With the addition of a one way drive buses can move through more easily. It would be a part of construction as a temporary feature then will be replaced with green area. The Building and Sites Committee is fond of the drop off solution. John and Alan recommend Option 2. Option 2 will be an easier addition architecturally, create a better flow, and be easier for consumers to navigate. This option also lines up with existing hallways and will eliminate challenges of cutting into existing suites. Sara Lurie reinforces Alan and John's recommendation for Option 2. Discussion ensued regarding the basement area and replacing existing boilers. The boilers are nearing the end of their usefulness and replacing them later will be a higher cost. Utilities and electrical also tend to have surprise costs but Alan has been in contact with an electrical engineer.

For information only.

Finance Update

Stacia Chick presented a building expansion analysis for revenue sources. Bringing back The Recovery Center and ACT will bring back extra revenue. There would no longer be a lease for The Recovery Center. The current funds come from a contract with Mid-State Health Network. The Facilities Allocation would also be a savings. Bringing back ACT will also bring back their Facilities budget. Another revenue source would be the increased Pharmacy lease to cover the expansion of 1,600 sq. ft. The Building and Sites Committee inquired about closing the Saginaw facility for The Recovery Center. Substance Abuse Services sees an advantage of additional security and better collaboration with Crisis Services and Bridges Crisis Unit. Discussion ensued regarding bringing Human Resources back to 812 E. Jolly Rd. and the future use of 1305 E. Jolly Rd.

The total amounts for a 25 year loan with interest rates between 4% and 6% were also provided. The interest rate makes a considerable difference. Discussion ensued regarding historic interest rates and funding options. CMHA-CEI will need to have additional funding if interest rates are high in 2017.

The Building and Sites Committee will continue assembling for the Building Expansion to keep processes moving efficiently. If a large concern is presented, the issue will be brought to Finance Committee and/or the Full Board Meeting.

Stacia commented that the estimated cost is for the building only, not interior structures such as DBI inventory. Layouts will need to be finalized before an estimate can be provided for the equipment. Stacia will review the Fixed Assets Budget. Discussion ensued regarding the use of excess inventory.

Stacia has expressed urgency with Ingham County regarding the current lease agreement. Ingham County is having challenges getting documentation to bond council. CMHA-CEI cannot move forward with a construction loan until the property is owned. Discussion ensued regarding payoff amounts.

For information only.

ACTION:

MOVED by Carol Koenig and **SUPPORTED** by Kay Pray that the Building and Sites Ad Hoc Committee recommends that the Board of Directors of the Community

Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) authorize CMHA-CEI to move forward with Schematic Design Option 2 including the replacement of existing boilers for a total project estimate of \$8,633,383 with the contingency of resolving bond issues, paying the remainder of the lease agreement with Ingham County for not more than \$1,400,000 and taking ownership of the property per the lease agreement.

MOTION CARRIED unanimously.

Old Business:

None.

New Business:

None.

Public Comment:

None.

Adjournment:

The meeting was adjourned at 1:37 p.m. Committee meetings will be scheduled as necessary.

Minutes Submitted by:

Chelsea Christensen
Finance Secretary