

Building Committee Meeting

Minutes

May 11, 2009

Present: Commissioner Solomon, Commissioner Albee, Randy Remick, Jim, Gerry Menke, Gene Goodwin, Steve, Jim (Brookfield Rep), Bob Bridgham, Eileen B., Cheryl Delisle, Sandi Mckenzie, Maureen Spencer, Rob Horace, Dave Knox, Susan Palmer Terry, John Roberts, Ed Butler, Maria Gonzalez

Overview by Randy Remick: \$25 million turnkey cost down to \$23,900,000. 83000 sq ft building includes \$800,000 contingency. Simple Value engineering items could reduce bottom line-material choices w/o hurting the building. (example \$300k savings by changing siding type). Removed extravagances w/o touching quality. Need to go through design plan with committee to make sure it is what is wanted. To get below \$20 million must have significant changes.

1. Committee: How committed are we to this plan?
2. Gerry: This is plan A, will age the best, less expensive. Try not to do an alternative plan but did bring some because of request.
3. Steve: showed plans with minor differences including changing some private to semi-private and removed private bath. This removes only 1300 sq ft of building. Save several hundred thousand dollars but give up private baths in cluster of rooms.

Discussion of room changes pros and cons, floor plans, and other changes that may save money.

4. Eileen: Very unhappy residents if shared bathrooms.
5. Gene Goodwin: Marketing nightmare. Cannot have male and female sharing a bathroom, would curtail admissions in some cases. Shared clusters would have to be all male or all female.
6. Jim: What is the net tax over the next 20 years? In good shape if the tax dollar amount is palatable.
7. Commissioner Albee: Explanation of some figures and impact.
8. Bob Bridgham: Concerned about \$4 million difference of numbers now compared to what they were.
9. Randy: Budget has not moved, cost has gone up but a lot has been added.
10. Bob Bridgham: Much more of a problem w/semi-private and operational cost. Need to show revenue and expenses to delegation. Why is this important?
11. Commissioner Solomon: We will be in competition, we need to do what we have to or we will have empty beds. Must stay with future needs. Quality of life.
12. Sandi: Overhead lifts are nice but I do not think we need them. Salon equipment \$60k, not needed/too much.
13. Randy: Spa/bathing room for each neighborhood. Need to be fine tuned with input from Sandi. Looking at cutting costs- \$0-1/2 million-can find areas to shave off.
14. Commissioner Albee: Delegation, how will they treat this in relation to money/funding, etc?
15. Bob Bridgham: Go into it like we are funding the whole thing. If money is found that is great. Must be able to justify the whole thing.
16. Randy: Staffing is going to be brought up as well as maintenance costs/operating costs.

17. Susan Palmer Terry: Savings in maintenance, housekeeping, savings in nursing.
18. Randy: Going through budget line by line. Summary. What the numbers are and what they mean. Anything you can get out this year may have an advantage on cost due to economy. Detailed explanation of budget line items. Fine tuning. Budget shows hardwiring everything, will look at wireless (would bring number down). Kitchen equipment budget \$375k down to \$250k. Following LEED standards but not certifying. Construction costs and site development costs included in total. Allowance for common area TV's. Resident TV's self-supplied (must be approved by county and hung)
Highlighted about 5 items that could come out of the budget immediately after review. (deleting insulation between slab on grade, change in exterior walls to vinyl instead of cement. Lobby stair could be reduced by half, changing brick at perimeter base of building, delete third elevator,) Café?
Big chore to cut a few million from cost. Only way to cut drastically is cut square footage, need to look to the future. Need thoughts and feeling on that. Lot of value for the money.
19. John Roberts: Operating costs, staffing, what is the cost impact? Taxpayers need to know what it is going to cost to operate the facility. Once it is built it needs to be operated. Comes down to tax rate impact.

Comments: Comes down to 100% occupancy (private vs. Semi) \$800k contingency, should not have to dip into it. Work to keep below estimate. Need flexibility from schematic to actual. Talk about rate, payment, etc. Capital costs, Medicare/Medicaid costs/reimbursements. What would make it \$2 million less? (quality related items)
Flat roof would be less money but would radically change look. (cost more in the future)

20. Commissioner Albee: Before the 18th we need tax implications to present to delegation.
21. Bob Bridgham: Knowing the delegation the cost is going to be a hard nut to swallow. Delegation based first approval on initial figure of \$9 million. Next number was \$18 million. Now it is \$23 million. Delegation will struggle with number that has gone up. Window of opportunity right now with interest rates.
22. Ed Butler: This whole discussion about \$\$ needs to be brought to the Chair. Need to talk to colleagues as well. Some may support this design but we need a very good defense.
23. Commissioner Albee: If too much resistance at \$23 million, what number will you settle on? Project will disintegrate.
24. Delegation needs to be educated on nursing home business, we are doing a lot of work they need to know why it costs what it does and why it is needed.
Discussion on flat vs. pitched roof, "New England homey look". Impact. Expected costs: Force budget down = cut efficiency and quality.
25. Commissioner Albee: Meeting with delegation on the 18th. Need to go in with number that we can defend. Bring them up to speed with where we are and where we want to be. Finish CON process and have permit to do building.
26. Susan Palmer Terry: CON wants to see that you have approval or that you are going to get approval.

27. John Roberts: Can schedule another meeting after the 18th.
28. Randy: Need to run more numbers, etc.
29. Susan Palmer Terry: Can change numbers after CON is filed. If you get vote that CON can be filed for \$23million and then work on it, which would be fine.
30. Commissioner Albee: Would be nice to solidify exterior numbers. Complicated numbers to run.
31. Must be confident in numbers

Feedback