

## **CITY-COUNTY BOARD OF HEALTH MINUTES**

### **Special Board Meeting**

**March 20, 2014**

- PRESENT:** Sharon Buhr, Chair  
Dr. James Buhr, Secretary  
Tom Overn, Vice Chair  
Madeline Luke (arrived 5:26 p.m.)  
Cindy Schwehr
- ABSENT:** None
- ALSO PRESENT:** Theresa Will, RN, Director  
Bobbi Hepper Olson, Architect  
Angie Martin, Office Manager
- CALL TO ORDER:** Meeting was called to order at 5:08 p.m. by Sharon Buhr, Chair, in the County Commission room in the Barnes County Courthouse.
- AGENDA:** Approved as printed.
- OLD BUSINESS:** FCCU building update – Sharon Buhr introduced Bobbi Hepper Olson, architect, to the Board. Sharon and Theresa Will met with First Community Credit Union (FCCU) representatives March 19 and discussed needed appraisal before loan amount can be approved (80% of appraised value). Overn will go before the Barnes County Commission on April 1 regarding co-signing CCHD’s loan. FCCU was a little uncomfortable with CCHD’s “soft money.” The cost for the building is \$470,000 and CCHD has paid a down payment of \$50,000. Architect’s estimated renovation costs: Bare Bones Option: \$414,625; Minimum Recommendation: \$402,463; Optional Items: \$528,520 = \$1.3 million total for renovations (optimal version). Bare Bones Option + Minimum Recommendation = \$817,088. CCHD has been working on the premise that we shouldn’t spend more than \$350,000-\$400,000 for renovations. Board is anticipating some grant monies to help finance renovation work, along with making choices regarding what to fix and what may have to wait at this time.
- Bare Bones Option: May leave north side of building as is for now. South half is quite open now. Mechanical system is very old. System could potentially run as is another 5-10 years. Under the existing system, the mechanical units are all on 2<sup>nd</sup> floor and are all self-contained. We could do this project and put in ductwork and heating and cooling system, and it could all tie into the existing head-end equipment that’s there, and do our plumbing in the \$50,000 range for mechanical. If there are issues, it is all self-contained and it won’t affect any existing new construction. There is a 2010 rooftop unit (air handler) for the north side of the building. South section of the building still runs off an old rooftop unit dating from the 1960s. Boiler is also original. There will be some maintenance dollars needed to offset repair costs if Board decides to go with bare bones option. Olson recommended a phased project if the Board decides to pursue this option. Her staff could get going on the design and the Board could work on when to tackle the mechanical system in the future.
- Theresa said the person who has been doing the mechanical maintenance in the building suggested putting four new home furnaces and four new air conditioning units in the building (estimate of \$18,000). It can be done, but architects will need to find room for these furnaces in the building. Condensers (cooling units) would be placed outside or on the roof. Mechanical engineers can look at this option and give CCHD the pros and cons of this system. 10,000 square feet is typically the tipping point for considering this type

of system (each floor is 8,000 square feet) or doing a boiler/air handler type system. Boiler would be about \$8,000 additionally, according to Keith's Refrigeration 7/30/13 estimate. Olson thought this home furnace/AC option should be explored if for no other reason than to rule it out.

Olson is looking at approximately \$350,000 construction project – 5% for general requirements such as insurance, permit, dumpster costs, etc.). Demolition costs are \$3,500. Putting in men's and women's handicapped restrooms in waiting area and sinks in three exam rooms. One bathroom in north section will be used as IT room (toilet and sink would be capped). \$4,000 to take out the existing south entry and enclosing it with energy glass. Door could possibly be included in energy grant. Leave quarry tile and flooring in north area. New tile in south area would be VCT (cost-effective flooring). Offices/hallways could be carpeted. Carpet easier to maintain than tile. Ceiling in south area needs to be removed and redone to dropped ceiling. Leave north side as is regarding ceiling, lights and flooring. 14 new doors on south side. Will eliminate as much cabinetry as possible and utilize some existing cabinetry. New cabinetry in exam rooms.

Reception area -- Budget: \$7,000. Will possibly utilize reception area counter/shelving obtained free from Central Valley Health District. Stan Horst and Bob Nelson, courthouse maintenance, will deliver this to FCCU facility so it can be evaluated for our needs.

Exterior: Caulk outside windows. Repairs to masonry. Caulking may be eligible under energy grant. Exterior sign is in second phase.

Mechanical: \$50,000 for plumbing and ductwork on south side. Electrical: Lighting split half and half. Possibility of capturing some grant funding for lighting. Lighting is \$16,000 and we could capture \$8,000. Also rebates available on light fixtures. Power is not 50/50. Need more power outlets in north area. Data access questioned. Left at \$19,000 – covers new system.

Generator: \$23,000 for 25 kw generator (needed for vaccine room for refrigeration) – bare bones option. Grant funding may be available in June through emergency preparedness. In next phase, could do 125 kw generator that could power whole first floor. Overn questioned if architect figured single phase or three-phase generator. Olson was not sure, but would not be surprised if it was three-phase.

Abatement of floor (has asbestos in glue, not tile). Take it down to concrete floor. Olson would like to get this done as soon as possible once loan is in place.

Fiber optics from county to facility: \$30,000. Members discussed BEK Communications capabilities in town. Theresa has talked with BEK reps, particularly in regard to a security system. BEK will talk again with Theresa and Jason Thiel, county IT. CCHD must remain connected to county system no matter how we opt to do it, according to Theresa.

Olson said she also incorporated a 15% contingency (\$46,000) for all the things we don't know about at this point associated with the facility update.

At their Tuesday, March 25, regular meeting, Board members will approve an amount in terms of getting a loan. FCCU -- 5% loan, Development Corp. will put in 1%, Flex-Pace (Bank of ND) 3%, CCHD 1%. Bank of ND nervous about CCHD's lack of a balanced

budget this year (county wanted us to spend down our cash reserve). CCHD is currently putting together a 2015 budget to show them that we will have a balanced budget. Other vote will be on amount to commit to regarding renovations, for a total loan amount -- \$420,000 for building and whatever amount Board decides for renovations, to come up with total amount needed for FCCU loan. Theresa explained that Olson and FCCU, at one point, suggested taking out a loan for \$350,000, and taking out of our cash reserve \$278,000 for renovations and \$170,000 for the building purchase, leaving \$165,000 in our cash reserve. How much does the Board want to leave in our cash reserve? Olson questioned if \$750,000 was out of our realm of possibility for the loan so CCHD could do bare bones + half the minimum to capture the 1% money? That way people would not need to be displaced at some point to do remaining renovations in the future, particularly in regard to the mechanical portion. It would also be cheaper to get some of this done now rather than when inflation raises the cost in possibly 3 years. 50% of annual budget normally suggested for cash reserve, according to advice given by Harold Rotunda, CPA for the county (when CCHD had to approach the County Commission in 2004 for a loan). Sharon stated if we did this, the Board is looking at \$834,000 total for the project (\$414,000 for bare bones option and \$420,000 for the building). Luke questioned if Board should take out a \$500,000 loan and do a little extra and take advantage of the 1% interest rate. With a \$550,000 loan (discussed with FCCU), payment per year would be about \$60,000/yr. Consensus of the Board was to keep \$200,000 in cash reserve. The Board will conduct a formal vote at the March 25, 2014 monthly meeting regarding: Monetary range for renovations, how much to leave in the cash reserve, and the total loan amount.

Olson told Board they should ask FCCU to work out repayment amounts for whatever amount settled on for loan and let CCHD know what the payments would be over 10 years and 15 years for \$350,000, \$550,000 and \$750,000.

Olson stated make sure they get the valuation correct for replacement insurance. CCHD insured through State Fire and Tornado insurance. Rental amounts for current tenants will also have to be re-evaluated (currently about \$23,000/yr.). Currently paying the county \$8,400/yr. rent for CCHD office. WIC, Traffic Safety (Safe Communities) and Tobacco will pay approximately \$300/mo. rent in new facility.

ADJOURNMENT: With no further business before the Board, the meeting adjourned at 6:35 p.m. The next regular meeting will be held Tuesday, March 25 at 3:00 p.m. in the County Commission chambers.

Respectfully submitted,

Dr. James Buhr, Secretary