

**County of Sullivan, NH**

**Type of meeting: Board of Commissioners Regular Business Meeting  
Minutes**

**Date/Place: Tuesday, August 16, 2011; 4:19 PM**

**Place: Sullivan County Health Care, 5 Nursing Home Drive, Unity  
NH, 03743**

**Attendees:** Commissioners Bennie Nelson – *Chair*, Jeffrey Barrette – *Vice Chair* and John M. Callum Jr. – *Clerk*; Greg Chanis – *County Administrator*; Ted Purdy – *Sullivan County Health Care Administrator*; John Cressy – *Facilities Director*; and Sharon Callum-*Administrative Assistant/Minute Taker*.

**Agenda Item No. 9. Probable Executive Session Per RSA 91-A:3.II.d –  
Discussion Regarding County Building Leases**

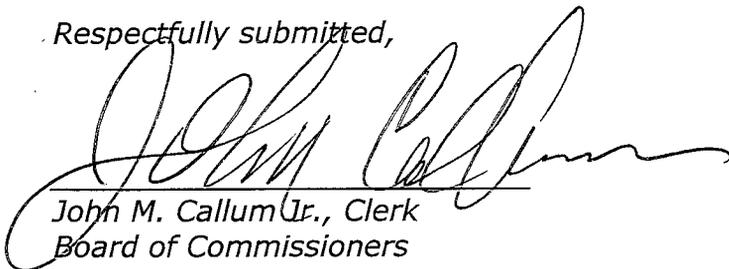
**4:19 Motion: to go into Executive Session Per RSA 91-A:3.II.d. to discuss issues regarding pending leases of County property. Made by: Barrette. Seconded by: Callum Jr. Roll call vote: All in favor. Those in Executive Session included: the three Commissioners, County Administrator, SCHC Administrator, Facilities Director and minute taker.**

1. Unity County Complex, Sullivan County Health Care Facility, Sanders Floor 2 Lease Proposal – Mr. Chanis updated the Board on the status of West Central Behavioral Health's (WCBH) proposal to lease the vacated 2<sup>nd</sup> floor of the Sanders wing: since the initial proposal, they've toured the facility, held a meeting with Mr. Purdy, Cressy and Chanis to discuss potential areas in the facility where a few County offices could be relocated, and, upon the Boards' request, attained preliminary renovation cost and rental fee estimates. Chanis distributed and reviewed the August 10<sup>th</sup> 3:50 pm e-mail [Appendix 1.A] to Suellen Griffin of WCBH – Griffin called today, basically okaying the lease rates and terms, but would like to know her cost of the renovations. They met with Economy Mechanical, and attained an estimate for the plumbing and heating upgrades, which Chanis distributed [Appendix 1.B.] - quote total illustrates \$1,153,824. Chanis and Cressy noted they were very surprised at the "extravagant" quote received – quote calculates out to approximately \$75 per square foot vs. \$15 on the current project they are performing at the nursing home; the quote is based on 32 offices, with each office having intake for fresh air. Chanis noted they have a couple options they could pursue:
  - go forward to attain mechanical and architectural plans, then go out for bid for project. Time frame: Chanis noted when he had indicated to West Central Services renovations might take seven to eight months, they did not appear surprised nor did they suggest moving more quickly on the time frame. Funding: Chanis contacted the NH Municipal Bond Bank and attained estimates based on 3.499% and 3.999% interest rates on a 15

- year One Million dollar bond [Appendix 1.C.1-2]. Heating issues: it was noted that the Sanders wing has steam heat with four basic zones – its okay, but there are major hot and cold areas in areas, and Cressy recommends changing to a hydronic heat system. Barrette is not comfortable with the project unless the lease amount covers renovation costs within a five year period. Chanis feels, at this point, that is not doable. Commissioner Nelson requested Chanis to identify what the engineer plan cost would be and where it would come from out of the FY 12 budget. Chanis estimates engineering costs would run approximately \$15,000-\$20,000. Commissioner Barrette suggested attaining an engineering plan estimate, then, for their next board meeting, figure out where to draw money from to get the designs done.
- Chanis noted another funding option would be for the Board to direct the auditors to commit the FY '11 Fund balance towards the project. Barrette noted he would be in favor of reserving Fund balance or charging Maintenance and requesting a supplemental.
2. Tentative Lease of Office Space at the Newport Records Building - Mr. Chanis reminded the Board of a representative from Congressman Bass's Office who contacted him searching for office space to set up a 'Congressional' office; they viewed the recently vacated office at the UNH Cooperative Extension; Bass's office has returned expressing interest in renting on a month-to-month basis, as long as there is phone and internet access. Chanis suggested renting for around \$250 per month.

**4:43 Motion: to come out of Executive Session. Made by: Barrette.  
Seconded by: Callum Jr. Voice vote: All in favor.**

*Respectfully submitted,*



John M. Callum Jr., Clerk  
Board of Commissioners

JC/sjc

Date minutes signed:

09/06/11

Minutes released 3/16/12

**Greg Chanis**

**From:** Greg Chanis [gchanis@sullivancountynh.gov]  
**Sent:** Wednesday, August 10, 2011 3:50 PM  
**To:** 'sgriffin@wcbh.org'  
**Subject:** Unity Lease

Suellen,

Below, please find a proposed base rent payment schedule (in PDF) for a proposed 5 year lease of the 2<sup>nd</sup> floor of the Sanders building in Unity. I am assuming that if we can come to an agreement on the base lease rate that all of the other pieces will fall into place. We would be open to having a longer lease term than indicated or including an option to renew for an additional five years. We would also be open to calculating annual increases based on a benchmark like the Consumer Price Index. My research indicates, for our region, this index has grown on average 2.6 – 2.7 % over the past ten years.

**Base rental amounts for Proposed Lease (8,275 s.f.)**

Year	Annual Cost/Sq.Ft.	% Inc. over prior year	Annual Base Rent	Monthly Base Rent
1	12.00		99,300.00	8,275.00
2	12.30	2.50%	101,782.50	8,481.88
3	12.61	2.50%	104,327.06	8,693.92
4	12.92	2.50%	106,935.24	8,911.27
5	13.25	2.50%	109,608.62	9,134.05

You may notice that the square footage basis is 8,275 which is less than what shows on the floorplan we gave you. The 8,275 is based on actual measurements we made this week, so that is the number I used. You will see that I have outlined a 5 year lease with an initial Year 1 rate of \$12.00/s.f., with that rate rising 2.5 %/year for years 2-5. These rates (and increases) are in line with the lease agreement we currently have with the State of NH for the space they utilize in Newport for the Superior and Probate courts (currently \$12.58/s.f. with a 2.5% increase scheduled for the next two years). Although we have not developed a complete estimate for renovations, I am confident the work can be done at a cost that can be supported by the proposed revenue structure. In developing this proposal for the base rent, I have made the following assumptions

- Landlord would be responsible for providing all utilities including electricity, heat, water/sewer and rubbish removal.
- Tenant would be responsible for the installation and maintenance of telecom equipment and computer network equipment. Suitable internal wiring & jacks for both telecom and computer equipment would be included in any renovation at Landlord's expense

Although the exact scope of the anticipated renovations has not been finalized, we anticipate the work to include;

- Complete upgrade to HVAC systems. (We anticipate the renovations to include the installation of central air conditioning.)
- Complete upgrade of two 'gang' bathroom areas with new fixtures, lights, flooring etc.
- General repair and painting of all walls and ceilings (this may include installation of some suspended ceilings)
- New lighting fixtures throughout the leased space
- Electrical/Fire alarm/Plumbing upgrades as required by code.
- New flooring (probably carpet) throughout leased space
- Reconfiguration and resurfacing of parking areas to suit both our needs

A.2

In addition to the above work, the renovation would include the additional partitioning and associated work to make the space suitable for use by WCBH. Although the Tenant would be responsible for the cost of this work, it may be possible to spread that cost over a period of time in the form of additional rent payments over the base rent payment.

I look forward to hearing your thoughts

Regards  
Greg

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Greg Chanis, County Administrator  
Sullivan County, NH  
14 Main St.  
Newport, NH 03773

Tel: 603.863.2560  
gchanis@sullivancountynh.gov

Appendix 1.B

SULLIVAN COUNTY SANDERS 2ND FLOOR RENOVATION

11200 BUDGET

ARCHITECT	\$	8,000.0
ENGINEERING STRUCTURAL	\$	3,000.0
ENGINEERING MECHANICAL	\$	24,000.0
ENGINEERING ELECTRICAL	\$	3,000.0

GENERAL CONSTRUCTION:

WALLS	\$	35,420.0
DOORS	\$	48,650.0
PAINTING	\$	23,950.0
FLOORS	\$	28,960.0
CUTTING & PATCHING	\$	18,000.0
DEMO	\$	15,500.0
CONCRETE	\$	4,200.0
STRUCTURAL SUPPORT	\$	8,000.0
ROOFING	\$	15,000.0
CORING	\$	4,200.0

MECHANICAL:

HVAC	\$	671,000.0
PLUMBING	\$	18,000.0

ELECTRICAL:

LIGHTING	\$	148,000.0
LIFE SAFETY		
POWER		
PHONE/DATA		
HVAC WIRING		

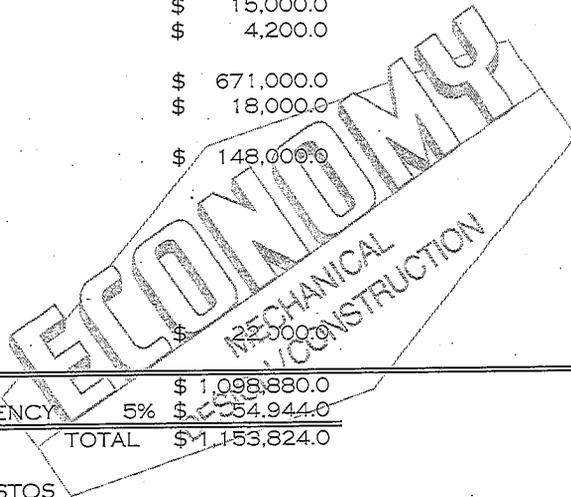
SPRINKLER

\$ 22,000.0

	\$	1,098,880.0
CONTINGENCY 5%	\$	54,944.0
<b>TOTAL</b>	<b>\$</b>	<b>1,153,824.0</b>

EXCLUDES:

ASBESTOS



**ECONOMY MECHANICAL  
ECONOMY MECHANICAL SERVICE**

Divisions of Economy Plumbing & Heating, Inc.

Hanover, New Hampshire  
603-643-2300

www.economymechanical.com

85 Emerald Street, PO Drawer E  
Keene, New Hampshire 03431  
603-352-1212 • FAX: 603-357-3539

**NH Municipal Bond Bank  
25 Triangle Park Drive  
Concord, NH 03301**

LEVEL PRINCIPAL  
15 YEAR ESTIMATED DEBT SCHEDULE FOR  
SULLIVAN COUNTY

ESTIMATED YEARLY INCREASE: 0%  
DATE PREPARED: 08/16/11  
BONDS DATED: Fall 2011 01/15/12  
INTEREST START DATE: 210 Days 12/15/11  
FIRST INTEREST PAYMENT: 07/15/12  
NET INTEREST COST: 3.4990%

DEBT YEAR	PERIOD ENDING	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	TOTAL PAYMENT	CALENDAR YEAR TOTAL PAYMENT
	07/15/12				\$20,416.67	\$20,416.67	\$20,416.67
1	01/15/13	\$1,000,000.00	\$70,000.00	3.500%	17,500.00	87,500.00	
	07/15/13				16,275.00	16,275.00	103,775.00
2	01/15/14	930,000.00	70,000.00	3.500%	16,275.00	86,275.00	
	07/15/14				15,050.00	15,050.00	101,325.00
3	01/15/15	860,000.00	70,000.00	3.500%	15,050.00	85,050.00	
	07/15/15				13,825.00	13,825.00	98,875.00
4	01/15/16	790,000.00	70,000.00	3.500%	13,825.00	83,825.00	
	07/15/16				12,600.00	12,600.00	96,425.00
5	01/15/17	720,000.00	70,000.00	3.500%	12,600.00	82,600.00	
	07/15/17				11,375.00	11,375.00	93,975.00
6	01/15/18	650,000.00	65,000.00	3.500%	11,375.00	76,375.00	
	07/15/18				10,237.50	10,237.50	86,612.50
7	01/15/19	585,000.00	65,000.00	3.500%	10,237.50	75,237.50	
	07/15/19				9,100.00	9,100.00	84,337.50
8	01/15/20	520,000.00	65,000.00	3.500%	9,100.00	74,100.00	
	07/15/20				7,962.50	7,962.50	82,062.50
9	01/15/21	455,000.00	65,000.00	3.500%	7,962.50	72,962.50	
	07/15/21				6,825.00	6,825.00	79,787.50
10	01/15/22	390,000.00	65,000.00	3.500%	6,825.00	71,825.00	
	07/15/22				5,687.50	5,687.50	77,512.50
11	01/15/23	325,000.00	65,000.00	3.500%	5,687.50	70,687.50	
	07/15/23				4,550.00	4,550.00	75,237.50
12	01/15/24	260,000.00	65,000.00	3.500%	4,550.00	69,550.00	
	07/15/24				3,412.50	3,412.50	72,962.50
13	01/15/25	195,000.00	65,000.00	3.500%	3,412.50	68,412.50	
	07/15/25				2,275.00	2,275.00	70,687.50
14	01/15/26	130,000.00	65,000.00	3.500%	2,275.00	67,275.00	
	07/15/26				1,137.50	1,137.50	68,412.50
15	01/15/27	65,000.00	65,000.00	3.500%	1,137.50	66,137.50	
							66,137.50
TOTALS			\$1,000,000.00		\$278,541.67	\$1,278,541.67	\$1,278,541.67

Agmt. x L.C.2.

**NH Municipal Bond Bank  
25 Triangle Park Drive  
Concord, NH 03301**

LEVEL PRINCIPAL  
15 YEAR ESTIMATED DEBT SCHEDULE FOR  
SULLIVAN COUNTY

ESTIMATED YEARLY INCREASE: 0%  
 DATE PREPARED: 08/16/11  
 BONDS DATED: Fall 2011 01/15/12  
 INTEREST START DATE: 210 Days 12/15/11  
 FIRST INTEREST PAYMENT: 07/15/12  
 NET INTEREST COST: 3.9990%

DEBT YEAR	PERIOD ENDING	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	TOTAL PAYMENT	CALENDAR YEAR TOTAL PAYMENT
	07/15/12				\$23,333.33	\$23,333.33	\$23,333.33
1	01/15/13	\$1,000,000.00	\$70,000.00	4.000%	20,000.00	90,000.00	
	07/15/13				18,600.00	18,600.00	108,600.00
2	01/15/14	930,000.00	70,000.00	4.000%	18,600.00	88,600.00	
	07/15/14				17,200.00	17,200.00	105,800.00
3	01/15/15	860,000.00	70,000.00	4.000%	17,200.00	87,200.00	
	07/15/15				15,800.00	15,800.00	103,000.00
4	01/15/16	790,000.00	70,000.00	4.000%	15,800.00	85,800.00	
	07/15/16				14,400.00	14,400.00	100,200.00
5	01/15/17	720,000.00	70,000.00	4.000%	14,400.00	84,400.00	
	07/15/17				13,000.00	13,000.00	97,400.00
6	01/15/18	650,000.00	65,000.00	4.000%	13,000.00	78,000.00	
	07/15/18				11,700.00	11,700.00	89,700.00
7	01/15/19	585,000.00	65,000.00	4.000%	11,700.00	76,700.00	
	07/15/19				10,400.00	10,400.00	87,100.00
8	01/15/20	520,000.00	65,000.00	4.000%	10,400.00	75,400.00	
	07/15/20				9,100.00	9,100.00	84,500.00
9	01/15/21	455,000.00	65,000.00	4.000%	9,100.00	74,100.00	
	07/15/21				7,800.00	7,800.00	81,900.00
10	01/15/22	390,000.00	65,000.00	4.000%	7,800.00	72,800.00	
	07/15/22				6,500.00	6,500.00	79,300.00
11	01/15/23	325,000.00	65,000.00	4.000%	6,500.00	71,500.00	
	07/15/23				5,200.00	5,200.00	76,700.00
12	01/15/24	260,000.00	65,000.00	4.000%	5,200.00	70,200.00	
	07/15/24				3,900.00	3,900.00	74,100.00
13	01/15/25	195,000.00	65,000.00	4.000%	3,900.00	68,900.00	
	07/15/25				2,600.00	2,600.00	71,500.00
14	01/15/26	130,000.00	65,000.00	4.000%	2,600.00	67,600.00	
	07/15/26				1,300.00	1,300.00	68,900.00
15	01/15/27	65,000.00	65,000.00	4.000%	1,300.00	66,300.00	66,300.00
TOTALS			\$1,000,000.00		\$318,333.33	\$1,318,333.33	\$1,318,333.33