

Finance Committee Meeting  
June 16, 2016 1:00 pm  
Shasta County Office of Education, Aspen Room

MINUTES

**Members Present:**

Adam Hillman  
Phil Brown  
David Flores  
Morris Rodrigue  
Mike Freeman  
Gretchen Deichler – via phone

**Others Present:**

Brooks Rice, STSIG  
Mari Moore, STSIG (Contracted)  
Bruce DeMallie, NMR

Phil Brown called the meeting to order at 1pm.

GENERAL BUISNESS

**1. Approve minutes for the May 5, 2016 Finance Meeting.**

Adam moved to approve the minutes from the May 5, 2016 Finance Committee Meeting with the following correction: under number 5, last sentence to read “ The general consensus was that employees remain engaged in wellness due to the incentive and it is worth continuing in some form”. Morris Rodrigue seconded.

**2. 85 Hartnell Ave.**

The goal of the discussion was to come to a consensus on the budget for the construction cost on the new facility and reaffirm the budget to the Board of Directors. Mike Harrington was consulted prior to this meeting for input and he feels the 4M budget will not adversely affect the workers' rates or reserves. It was reintegrated that originally the intent was to use funds from the workers' compensation program that would not be needed until it was the last asset left. So rather than having those funds liquid they would be invested in a building to house the medical clinic, JPA offices, and future tenants.

Phil presented a budget that suggests a tenant paying .90/SF (30 year) or .97/SF (20 year) would be needed in order for the rents received to pay for monthly costs of the building and the prior office costs of the JPA. Bruce with NMR submitted that with the limited information they have on this day, it appears the current design plus the property cost will require about 4.4M. That is \$400K over the current approved budget from the Board. They will be able to provide a more accurate estimate in 4 weeks when working drawings will allow better estimates from the contractors. He said that we should expect between 5-10% contingency for the project.

Follow-up items: Brooks will speak with a broker regarding the current rental market; how much a tenant and landlord normally pays toward the TI build out and the SF rental amount of current space. Also, what our building will need in order to rent the space for at least .90/SF.

No Action was taken.

**PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

None.

**ADJOURN**

The meeting was adjourned at 1:50pm.