

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

5-Year Capital Outlay Budget Plan

FY 2018-2022

October 28, 2016

I. Mission Statement

The Department of Military and Veterans Affairs (DMVA) operates and maintains thirty-six active and seven closed state-owned readiness centers, three federally owned readiness centers, a state-owned training center at Camp Grayling, and a federally-owned training center at Fort Custer. (The two Veteran's Homes Capital Outlay are included under separate cover.) These facilities must support the mission of tenant organizations for the Army. Facilities are critical to readiness, and support unit administration, maintenance, training and storage. They serve as command centers during domestic emergencies and as platforms for mobilization during times of war. Poor facility conditions negatively affect unit readiness and morale.

Current status of facilities: DMVA's readiness centers range in age from 67 to less than 10 years and are located on parcels of land that range in size from 2 acres to more than 58 acres. Although millions of dollars are expended yearly to maintain and upgrade these facilities, several have exceeded their functional life-span and would require more than can be reasonably justified to be brought up to current accessibility and utilization standards. Of the 39 active readiness centers, 27 do not meet the National Guard Bureau's (NGB) mission support functionality requirements. The mission support functional capability rating is an indicator of the presence or absence of something that would impair unit's capability to support their missions. This includes any deficiency, configuration, or quality of life issue affecting the ability to support the mission.

Recommendations: The DMVA's 5-Year Capital Outlay Budget Plan details the requirement to replace those aging facilities which are cost-prohibitive to continue to maintain and/or bring up to current accessibility and utilization standards. These readiness centers would be replaced with state-of-the-art, energy efficient facilities which will be functional throughout the 21st Century. Those readiness centers which have yet to exceed their functional life-span would be targeted for upgrade to current accessibility and utilization standards.

II. Programming Changes

Because of anticipated competition for federal and state funds, DMVA has been proactive in contracting master plans for our two training sites, our readiness centers and our facility maintenance shops. With these initiatives, DMVA is developing short, mid and long term goals that are aligned with our Master Plan. This will include upgrading and right-sizing readiness centers and facility maintenance shops statewide, and where practical, purchasing of buildings that meet our requirements and location

needs. At Camp Grayling, we will be focusing on expanding its capabilities and collective level missions. This will enable it to provide training for regional states' National Guard units, United States Army Reserve units and the Active Component. As this occurs, we will focus on developing Fort Custer's capacity for increased numbers of squad level missions and overflow from Camp Grayling. DMVA has set a goal to have Camp Grayling "net-zero" as well as decreasing energy use and grid dependency state-wide. Over the past three years, DMVA has acquired federal funding to support the construction and installation of 3 wind funnels at our training sites, expand the solar array project at Fort Custer, design and construct a virtual pipeline, upgrade digital controls, lighting and boilers and install SCADA all at Camp Grayling.

III. Facility Assessment

Age, Use and Physical Condition:

a. Overview. DMVA operates and maintains 36 active state-owned and 3 federally owned readiness centers, a state-owned training area at Camp Grayling, and a federally-owned training area at Fort Custer.

b. Facility Age. DMVA facilities range in age from 67 to less than 10 years old. The functional life-span of a readiness center is 50 years. The chart below provides a breakdown of the range of age of active readiness centers.

Age of Facility	Number of Facilities
Over 60 Years	4
40-50 Years	17
25-39 Years	9
10-24 Years	8
0-9 Years	1

c. Property size. DMVA readiness centers are situated on parcels that range in size from 2 acres to more than 58 acres. The National Guard Bureau standard for acreage for readiness centers is no less than 15 acres with 20 acres being desirable. The chart below provides a breakdown on the range of size of our active state-owned readiness center acreage:

Property Size	Number of Facilities
2-14 Acres	27
15-20 Acres	3
More than 20 Acres	9

d. Utilization Rates. National Guard Bureau Pamphlet 415-12, Army National Guard Facilities Allowances, prescribes size and utilization of space in readiness center. In all but the most recently constructed readiness centers, the number and size of classrooms, offices, locker rooms, food preparation and storage areas are significantly below the standard, resulting in grossly inadequate facilities.

e. Functionality. Due to changing political climate and war on terror, the military unit force structure has also increased. Since many of the DMVA's readiness centers have reached their life-span, they need to be extensively upgraded to meet current codes, technological infrastructure, accessibility standards and logistical mission requirements to match the increases in operations tempo. Most of the readiness centers are not large enough to provide the classroom, storage, locker room, office, administrative space and fire protection required to meet these standards. Changes in training technologies have placed additional emphasis on simulators and other computer-aided training requiring increased electrical and data infrastructure. The building shell at these readiness centers continues to be of serious concern. The roofs, boiler systems, windows, doors, and other internal infrastructure continue to age and degrade requiring more and more repairs to keep them in service. Additionally, over 56% of the readiness centers were built prior to 1972; the first year women were permitted to enlist into the Army National Guard, and were not designed to accommodate both genders. Although we have made great strides in addressing this issue, there are still 7 readiness centers that do not have adequate locker, restroom, or shower facilities for women.

f. Replacement Value. The current adjusted cost for existing facilities, including ancillary buildings at readiness center locations, is \$397,580,564. This consists of historical costs, plus major improvements. However, the replacement value of the existing infrastructure must take into consideration the changes in military force structure and unit composition mentioned in Para III.e above. Therefore, replacement readiness centers will be larger and have additional required features and capabilities. The estimated replacement cost of all active state and federally-owned readiness center is provided in the following chart (chart does not include the JFRC Headquarters Readiness Center).

Type of Readiness Center	Number	Cost per Readiness Center	Total Cost
Single Unite Readiness Center	24	\$10 million	\$240 million
Multiple Unit Readiness Centers	15	\$18 million	\$270 million
Total	39		\$510 million

g. Facilities Utilities Systems. In most instances, utilities (electric, gas, water/sewer, and telephone) for each complex are provided by private or public utility companies. These companies are responsible for upgrade and maintenance of systems to the point of delivery. Upgrade and maintenance of the internal utility infrastructure (heating, ventilating, and air conditioning systems, water pipes, electrical lines, etc.) are the responsibilities of the DMVA. Because of the age of many of the readiness centers, there are continuous repair and maintenance requirements for internal utility systems to include work to meet code requirements. Unless the older readiness centers are replaced, extensive repairs are anticipated to electrical, heating and plumbing systems. Repair and maintenance cost estimates for the next five years can be found in Para IV.b.

In a continued effort to effect energy performance, we utilize numerous energy reduction measures when designing new or remodeled facilities. These measures also help in meeting the energy reduction goals that are set forth by the federal government requirements. They include such actions as installing lighting fixtures with occupancy sensors, LED lights in facilities, motion sensors in parking lots, double pane windows, high efficiency boilers, increasing the roof and wall insulation R factors, installing demand control ventilation systems and low-flow flush valves on bathroom fixtures. We continue to install advanced meters in our facilities, as federal funding is received, to more accurately measure utility consumption. We have an Energy Analyst under contract to conduct energy audits and is presently scheduling plans.

h. Condition of Facility Infrastructure. The primary supporting infrastructure surrounding each readiness center is parking surfaces. These include paved and unpaved, Government Owned Vehicle (GOV) and Privately Owned Vehicle (POV) areas. At 34 of our readiness centers, the GOV and POV parking areas do not meet National Guard Bureau criteria. In inclement weather, movement of heavy vehicles on these surfaces cause substantial damage and requires subsequent repair of the parking areas as several are in general degradation status and all 34 are rated poorly. As units are modernized and become more mobile, additional parking requirements for organizational equipment is generated. The required fenced, secure parking areas with security lighting are inadequate. At older locations with minimal acreage, there is insufficient space for GOV and POV parking.

i. Adequacy of utilities and infrastructure. As outlined in Paras IIIe, IIIf, and IIIg above, several readiness centers require repair and preventive maintenance, including replacement of infrastructure (utilities, roofs, boilers, windows, doors, flooring), in order to prevent failure of the structural component.

j. Capacity for future development on existing land. In some instances, adequate acreage exists to replace readiness centers at the same locations. However, for many

of the readiness centers exceeding their useful life-span, there is no available space for replacement or future development. Most of these readiness centers are in the built-up areas of the communities.

IV. Implementation Plan

The DMVA Implementation Plan consists of two separate, but equally important, components: Readiness Center Replacement and Readiness Center Infrastructure Upgrade/Repair/Maintenance.

a. Readiness Center Replacement. As detailed in Para IIIb., the DMVA has 17 readiness centers that are over 40 years old and 4 that are over 60 years old. Taking into consideration that there are continuous repair costs, inadequate training facilities, lack of adequate GOV and POV parking areas, as well as a functional need for more acreage, these facilities are targets for replacement. In addition, there are some demographic markets which could support existing or proposed force structure where readiness center do not exist and should be built.

1) Because of historical underfunding of the ARNG Military Construction (MILCON) program, obtaining federal funding to construct new readiness centers has waned. There are no approved MILCON readiness center projects on the Future Years Defense Plan (FYDP).

2) In order to provide sufficient facilities for our Soldiers, DMVA will continue using the economical approach to purchase existing properties and convert them into readiness centers. With the initial investment made by the State, DMVA can request 75% federal match funds to be used to cover the costs to convert the facility into a readiness center. To date, DMVA has purchased 2 such properties: Belmont in 2012 and Traverse City in 2014. We completed the Belmont conversion in 2015 and have begun the Traverse City remodel.

3) DMVA continues to explore the markets in the Flint, Marquette, Detroit and Dundee areas for future readiness center sites. DMVA currently has 7 readiness centers, 1 facility maintenance shop, 1 indoor rifle range, and numerous parcels of land for sale with a total appraised value of \$2,460,000. There is a potential for up to 3 additional readiness centers to become available for sale over the course of the next 5 years. Revenue from these sales is estimated at \$750,000. Even with the modest balance remaining in the Armory Construction Fund, should a property become available before any of the excess property is sold, DMVA will request support from the State General Fund to help with purchase of property.

b. Readiness Center Infrastructure Upgrade/Repair/Maintenance. As outlined in Para IIIe, many readiness centers require upgrading to meeting ADA, training, and functionality requirements. Other locations require upgrade of readiness center

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infrastructure in order to reduce resultant repair/maintenance costs. The federal government provides reimbursement to the state, normally 50/50, for maintenance repairs on state owned facilities. As existing facilities continue to age and deteriorate, repair and maintenance requirements will increase. The following repair/maintenance cycle chart provides details for each:

Type of Project	Number per Year	Total Cost
Boiler Replacement	2	80,000.00
Roof Replacement	3	600,000.00
Door Repair/Replacement	2	80,000.00
Readiness Center Modifications	3	6,000,000.00
Lighting Repair/Replacement	2	100,000.00
Fire Alarm Replacement	2	100,000.00
Parking Lot Improvements	2	600,000.00
Lead Abatement	3	210,000.00
Total	19	7,770,000.00

c. Impact. With an adequate long range Capital Outlay Plan, the DMVA can program the replacement of aging and deteriorating readiness centers, thus deferring or rescheduling infrastructure repair, maintenance, and upgrade projects. However, some of the repairs accomplished each year are of an emergency nature, where deferment would cause further damage or create a safety risk.

1) One benefit derived in addressing infrastructure repairs or upgrades in the short term, rather than the long (5 year) term, includes maintaining and/or improving the facilities, which are utilized not only by National Guard members during training assemblies, but for emergency use for domestic operations. The failure to properly maintain or repair facilities reflects poorly on the image of the Michigan Army National Guard and the Michigan Department of Military and Veterans Affairs. When unsafe conditions are present due to the need for repairs/maintenance, the facilities are not available for use by both the community and the unit(s) located in the readiness center. Failure to

program repairs would adversely affect the ability of assigned units to conduct required training and thus degrade their readiness.

2) The DMVA does not have the personnel resources to address all infrastructure deficiencies immediately. Additionally, if the Department were to request funding and schedule all repair/upgrade requirements immediately, there would be an adverse affect on the ability of units to conduct training if many of our readiness center were undergoing extensive repairs/upgrades.

d. Rate of Return on Expenditures - There are two areas in which this Capital Outlay Budget Plan will provide significant operational savings:

1) Utility Savings - The DMVA has realized a significant savings in utility costs as a result of its ongoing efforts to replace non-energy efficient roofs, windows, doors, and heating systems. The scheduled replacement of these items in selected readiness centers over the next five years will further enhance the savings. It is estimated that the rate of return due to the upgrade of utility components is 18% per year, thus recovering investment costs in just 4 years. As energy audits occur, more detailed information will be available.

2) Readiness Center Replacement - The capital investment of replacing older readiness centers is recouped during the first 20 years of the life of the readiness centers. In many instances, the DMVA has spent many times more than the state's share of new readiness center construction in repairs/maintenance costs.

Michigan Veterans Affairs Agency
Grand Rapids Home for Veterans

I. Mission Statement

Michigan Veteran Affairs Agency Mission Statement: Serve as the central coordinating point, connecting those who have served in the United States Armed Forces and their families, to services and benefits throughout the State of Michigan.

In accordance with GRHV Administrative Policy, the mission of the Grand Rapids Home for Veterans is to provide compassionate, quality interdisciplinary care for the members to achieve their highest potential of independence, self-worth, wellness and dignity.

Leadership, staff, and members interact to develop operational programs of service, coordinate care given, and determine unmet needs.

The Home has a distinguished tradition of meeting the ever-changing needs of Michigan veterans. Service programs are developed to be efficient, effective, enhance the quality of life, and be accountable to the public purpose that underlies the Home. The Grand Rapids Home for Veterans is a symbol of America's promise to her veterans, that in return for their sacrifices and call to duty they would be cared for in time of need. However, while the mission is admirable, much scorn has arisen as a result of multiple factors affecting the Home.

II. Programming Changes

The major changes from the Home's past operational structure that will continue over the next five years will be contingent upon the passing of proposed legislation and the movement of the Home(s) to an authority model of governance, and the approval for construction of (2) new veterans homes in the State of Michigan. The Veteran Long-Term Care Workgroup's recommendations released September 21, 2016, proposed building a new facility on the current site of the GRHV, and building another facility in southeast Michigan. The intent of these recommendations is to bring the services the State provides veterans in alignment with acceptable long-term care standards, and achieve a financially sustainable model that will provide long-term care options for current and future generations of Michigan veterans. This will result in a systematic census reduction over the next four to five years, in order to "right-size" the current facility, but to also allow for transfer options when the new facilities are prepared to be opened for application. There is also an obligation, throughout the census reduction and the construction of new facilities, to ensure the current facility continuing to house veterans is maintained in accordance with all applicable codes and regulations, and providing our veterans an excellent quality of life and care.

The submission of all of the Homes' budgetary requests, are intertwined and reliant upon each other to achieve the recommendations of the Veteran Long-Term Care Workgroup. This assumes the passing of proposed legislation, the moving forward with designing and constructing a new home in SE Michigan and a new home on the current site of GRHV, while systematically reducing the census in the current GRHV facility to achieve a manageable size and allow for proper transitions when appropriate. The current facility, in its existing state, will likely require over \$30.8MM in capital investment in the next five years if the plan to build new facilities is not adopted.

III. Facility Assessment

Age, Use and Physical Condition:

a. Overview. The Grand Rapids Home for Veterans is, by nursing population, the 5th largest state veterans' home out of 149 in the nation. It has been providing long term nursing care for eligible veterans and their dependents at its current location since 1886.

We currently provide nursing care at various levels in three resident nursing care buildings:

- 1) Mann Building** (built in 1988) - 121,383 sq. ft.
- 2) Mcleish Building** (built in 1975) - 164,972 sq. ft.
- 3) Rankin Building** (built in 1946) - 54,200 sq. ft.

They are all block/concrete/steel/column construction with brick exterior and joined end-to-end on the first floor by breezeway. The facility is significantly outdated and out of touch with long-term care industry standards of excellence.

Other buildings and structures on grounds:

- 4) NCO Club/Clothing Room building**, built in 1906, is wood frame construction with stucco exterior (4,900 sq. ft.)
- 5) Public toilet building**, built in 1978, is block construction with brick exterior (400 sq. ft.)
- 6) Maintenance building**, built in 1979, is block construction with brick exterior (10,800 sq. ft.)
- 7) Power Plant**, built in 1956, is block construction with brick exterior (13,941 sq. ft.)
- 8) Poppy Room/Storage building** built in 1975 is metal frame building with metal sheeting exterior (2,000 sq. ft.)
- 9) Old Ice House building**, built in 1885, is poured concrete construction (1,700 sq. ft.)
- 10) Grounds building**, built in 1974, is metal frame with metal sheeting exterior (2,000 sq. ft.)
- 11) Band shell structure**, built in 1976, is wood frame construction with asphalt shingle exterior (2,000 sq. ft.)
- 12) Greenhouse**, built in 1967, is aluminum frame with glass construction (2,000 sq. ft.)
- 13) Large tractor garage**, built in 1950, is cement block construction (1,089 sq. ft.)

- 14) Cemetery storage building, built in 1885, is block construction (110 sq. ft.)
- 15) Cooling tower structure, built in 2015, is steel and aluminum construction (110 sq. ft.)
- 16) Cannon shelter, built in 1982, is wood frame construction (1,000 sq. ft.)
- 17) Picnic shelter, built in 1983, is wood frame construction (430 sq. ft.)
- 18) Storage building, built in 1998, is metal frame construction with metal sheeting (2,400 sq. ft.)
- 19) Nature trail gazebo, built in 2000, is wood frame construction (675 sq. ft.)
- 20) Grotto Park Healing Garden gazebo built in 2008 is wood frame construction (576 sq. ft.)
- 21) Grotto Park Healing Garden pavilion, built in 2008, is wood frame construction (952 sq. ft.)
- 22) Potting Shed, built in 2013, is wood frame construction (432 sq. ft.)

The total gross square footage of all buildings and structures is 388,070 sq. ft.

The entire campus occupies a tract of land of approximately 89 acres.

A registered veteran's cemetery occupies approximately 11½ acres on the north end of the grounds. There is approximately 7 wooded acres on the south end of the campus that is the site of a nature trail for member recreation. To the east (rear) of the buildings, we provide parking for 334 employees and members. To the west (front) of the facility, we provide parking for 111 visitors and volunteers. The grounds are cared for by the Grounds Department and accessible to all members. All buildings and structures on the grounds are currently being used.

The Power Plant provides heat, domestic hot water, air conditioning and emergency power for all facilities on the grounds.

b. Exceptions.

- 1) No air conditioning to the maintenance building (except the offices, conference room and break area, served by stand-alone unit).
- 2) No air conditioning is provided to the greenhouse.
- 3) No air conditioning provided to the grounds building.
- 4) No air conditioning, heat or water provided to the storage building.
- 5) No air conditioning or water provided to the large tractor garage
- 6) No air conditioning provided to the poppy room/storage building- air conditioning provided to poppy room with stand-alone unit.
- 7) No air conditioning provided to the public toilet building.
- 8) No air conditioning provided to the NCO Club/Clothing Room building (air conditioning provided to NCO Club side by a stand-alone unit).
- 9) No air conditioning, heat or hot water provided to the cemetery storage building.

c. Building Utilization. At the end of September 2016, the nursing facility(ies) were occupied at approximately 78% of authorized capacity (326 / 420), while the domiciliary was occupied at approximately 27% of authorized capacity (35 / 132). The buildings are aging and member rooms, physical therapy areas, member recreational areas, hallways, and shower rooms are in need of remodeling throughout all buildings. The kitchen and dining areas are in need of remodeling. There is a general shortage of space for equipment storage, housekeeping and general storage that are all supportive to nursing care. Nurse stations in the 40 year old Mcleish Building are not constructed to be HIPPA compliant and are in need of remodeling to adjust for more recent regulations affecting health care institutions. Some equipment used for nursing care and food preparation are aged and in need of replacement.

d. Mandated Facility Standards for Program Implementation.

- 1) U.S. Department of Veterans Affairs under Nursing Home Care Standards for State Veterans Homes for all aspects of clinical care food standards and life/safety standards.
- 2) Michigan Department of Licensing and Regulation, Bureau of Fire Services for all applicable NFPA standards and OSHNMIOSHA General Industry Standards.
- 3) Life Safety Codes are enforced by the State Fire Marshall.

e. Functionality of Existing Structures and Space Allocation.

- 1) Skilled nursing care - 164,683 sq. ft.
- 2) Domiciliary care - 27,566 sq. ft.
- 3) Nursing administration & clinics - 2,009 sq. ft.
- 4) Social services - 1,893 sq. ft.
- 5) Activity/Recreational therapy - 9,143 sq. ft.
- 6) Physical therapy - 2,235 sq. ft.
- 7) Occupational therapy - 990 sq. ft.
- 8) Nutritional services - 11,493 sq. ft.
- 9) Pharmacy - 1,241 sq. ft.
- 10) Medical supplies - 1,838 sq. ft.
- 11) Housekeeping/linen services - 6,525 sq. ft.
- 12) Plant operations - 44,625 sq. ft.
- 13) General administrative - 7,268 sq. ft.
- 14) Employee lounge/locker/toilet areas - 4,691 sq. ft.

The Rankin Building is the oldest of the structures, constructed in 1946. It provides three stories of resident care, the first level being utilized for nursing care and the second and third level utilized for domiciliary care. It contains terrazzo flooring, ceramic tile walls and centrally located bathing systems. Exterior brick is in need of tuck and pointing and sealing. The overall roof has exhausted its warranty, is 25 years old, and in need of replacement. The HVAC system is over 30 years old and, while operable, is

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outdated and inefficient; with an estimated cost of \$750,000 to replace. The windows are 25 years old and will be in need of replacement in the next four years. The elevators are in poor condition. The building has had no electrical enhancements in 25 years. Although the electrical meets code, if there was any major renovation work, the electric in the building upgrading would have to be done including additional electrical outlets and additional lighting fixtures. At almost 70 years old, the building is no longer appropriate for nursing home care relative to community standards. The building is naturally dark, the hallways are narrow, the bathrooms and resident rooms are aged. In accordance with Workgroup recommendations, the Agency has requested funding in regards to the Rankin building to afford long term site planning.

The Mcleish Building was constructed in 1975 and some member rooms and hallways are undergoing renovation. The building contains three resident floors and a first floor that houses clinical areas, administrative offices and a cafeteria. The current floor lay out includes 42 resident rooms per floor; two associated nurses' stations with medication rooms; two associated centralized bathing areas with all necessary plumbing fixtures and patient bathing equipment; several associated offices and connecting hallways; two central dining rooms with small pantry areas. Old wood and countertops are prevalent in the building, constructed in the early to mid-1970s. Flooring and doors are being replaced to accommodate wheelchairs and engagement with heavier equipment. Doors should be replaced with more gash and ding resistant doors, which are more expensive but would be required if the decision was made to not build new facilities. The exterior brick is in good condition and a tuck and point was completed in 2001. The building contains several roof systems. The resident roof building was replaced in 1991 and is still in good condition, but would need to be replaced in the next five years. The kitchen roof was replaced in 2003 and in good condition. Another part of the roof covering the resident courtyard section, and major social gathering areas was replaced in 2008 and is in good condition.

The HVAC is in good condition; however it is a pneumatic system. This is thirty year old technology. Overall temperatures are appropriately monitored, but controlling individual separate member rooms cannot be accomplished with this technology. The windows were replaced in 2014 and rooms and dining areas now meet the VA requirement for glazing and light entry. The elevators are original to the structure, and modernization has only been done to the motors and controls. The interior of the elevator cars consist of original equipment. The electrical system meets code, although as resident rooms are being renovated, more outlets are being added. New Emergency Generator was installed the summer of 2015 and is able to supply enough backup power to maintain 100% services in the building.

The Mann Building was constructed in 1988. It houses resident on three floors, with 36 resident rooms on each floor. The building is in overall good condition with all exterior

components including rooms. The roof, windows and exterior brick are currently in decent shape. The roof was replaced in 2008 and is in good condition. The utility systems are in good condition. The core infrastructure of the HVAC system is good and operates properly. However the DOC controls for individual rooms is in need of replacement as it is first version technology from 1988. Interior rooms are a maintenance issue with the aging of the building and the rooms do not conform to current day communal nursing home living standards. New Emergency Generator was installed the summer of 2015 and is able to supply enough backup power to maintain 100% services in the building.

f. Estimated Replacement Value of Existing Facilities. Based on State of Michigan OFM Property Accounting Ledger Report for Fiscal Year ending 9/30/2013):
\$40,572,243.00 including property
(Current book value per report= \$9,002,615)

The costs of construction for a new modern facility on the current site of GRHV, and a new facility in SE Michigan, are being determined.

g. Utility System Condition.

Rankin Building - The HVAC is a rectangular duct system, low velocity with fan coil units located in all patient rooms. This is an inefficient system relative to modern standards. The heating system is a radiant two-pipe system. The water system is galvanized mains and risers with copper supply to all fixtures. The sewage system throughout the building is cast iron, is aged and susceptible to cracking, rusting and breaking. The electrical system is all copper conductors run in conduit throughout the building. In 2001 a project was done to fully sprinkle and provide fire suppression services to the entire building.

Mcleish Building - The HVAC is a rectangular duct system, low velocity with original fan coil units located in all patient rooms. This is an inefficient system relative to modern standards. The air handling units are a duct system and are not designed for today's standards of atmospheric comfort. Most of the heating and cooling controls in the building are pneumatic. Heating is hot water radiant, one pipe mono-flow tee system. The water system is galvanized mains and risers with copper supply to all fixtures. The galvanized nature of the water system creates a maintenance issue because they rust out and pieces are replaced as they fail with modern piping. The sewage system throughout the building is cast iron, is aged and susceptible to cracking, rusting and breaking. The electrical system is all copper conductors run in conduit throughout the building. The fire alarm system, including the ceiling smoke detectors, pull stations, door closers and all annunciating equipment is Seimans. Duct detectors are all wired true alarm to the system. In 2009, the building became fully suppressed with a new fire sprinkling system.

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Mann Building - The HVAC is divided into two parts. Each side is served by separate supply air, return air and make-up air fans. The duct work system is round, high velocity. The heating system in the building is a hot water radiant, two-pipe system. The water system is galvanized mains and risers with copper supply to all fixtures. The sewage system throughout the building is cast iron. The electrical system is all copper conductors run in conduit throughout the building. The entire building is sprinkled with a charged wet type system. The fire alarm system, including the ceiling smoke detectors, duct smoke detectors, pull stations, door closers and all annunciating equipment is Seimans. It is tied to a central alarm system in the Mcleish Building.

There are three boilers that serve the entire facility providing redundancy in service and range in age from 25 years to 8 years. The boilers are high pressure steam boilers. They are serviced annually to manufacturer and equipment code standards. The condition of the boilers is good.

A new domestic hot water plate and frame instantaneous hot water system with back up was installed in 2012. This is in new and excellent condition.

There are two chillers serving the Home's cooling system. One 425 ton chiller was installed in 2014 and is in good condition. This chiller replaced a chiller that became inoperable in August 2013. Prior to this chiller failing, both chillers were running 100% at peak months. The second chiller was installed in the summer of 2015. The old cooling tower was dismantled and two smaller, efficient cooling towers were installed in the spring/summer 2015 to assist with the cooling of the facility.

Much of the utility infrastructure from the power plant to the resident buildings is housed in an underground tunnel system where it is protected from the elements. Steam piping and hot water piping is all heavily insulated for efficiency. Some of the piping over the years has been repaired due to faulty welds or fittings breaking. Piping is 25 to 40 years old.

The electrical system has had periodic upgrades, is up to current state and federal code. Conduits that take the wiring from the power plant to the buildings are all in underground areas. Much of this is 25 to 40 years old. It is buried and its current true condition is unknown. Four generators serve the Home with stand-by emergency power. Original was installed in 1973 and is a 12- cylinder Caterpillar diesel with 565kw. It currently only supplies code-required emergency power in resident building including exit signage, site lighting, emergency lighting and boiler power. The Home underwent a project that added three generators to the system in 2015. This project will add three new backup emergency generators dedicated to each of the facilities three main buildings. The generators will be located adjacent to the structures. They will be powered by diesel fuel supplied in self-contained tanks attached to the generator.

h. Facility Infrastructure Condition. Roads and parking lots are all asphalt and in marginal to poor condition. Spot repairs are made periodically as needed. Due to size of potholes and crumbling condition of the roads, many areas are beyond spot repairs and need complete replacement. There is an ongoing project to complete restoration and improvement of the onsite parking lots, which will be accomplished in the spring of 2017.

Approximately 14,000 sq. ft. of concrete sidewalk is 20+ years old and is in need of replacing. Only spot repairs have been made to take care of sagging and frost heaving sections during this time.

The GRHV has two bridges on its property. One connects the cemetery on the north end of the grounds to the rest of the agency grounds. The bridge currently has limited load-bearing capacity. In July 2012 a bridge inspection by Michigan Department of Transportation Bridge Inspection team was conducted. Based on their report, the bridge is in immediate need of replacement. Vehicular traffic was immediately restricted on this bridge and has been so since. The second bridge is constructed of wood, concrete and covered with sod. It is located over Lamberton Creek at the lower pond floor gate. The most recent inspection of this structure occurred in July 2000 and revealed what appears to be some deterioration of the wood structure underneath. We have since restricted traffic over this bridge to exclude motor vehicles except grounds care equipment. However, work began in August 2016 to repair the existing bridge, and that work is underway.

The Home has a pond on its grounds fed by Lamberton Creek. The Home is in the study phase of a project to examine the benefits and feasibility of dredging and removing contaminated soil from the pond and its remediation. Dredging can have an impact on the dams and bridges and this is being investigated in conjunction with DVMA Office of Construction and Facilities Management and the state contractor.

A new front entrance and canopy was completed in fall 2013. The canopy is a steel and tensile structure and is 5,700 square feet in size. There is 3,500 square feet of heated sidewalk underneath the structure. It is in excellent condition.

New windows have been installed in the Mcleish building as part of the overall remodeling of the structure. The project replaced 422 windows of varying sizes and configurations. The window installation was completed in October 2014.

i. Adequacy of Existing Utilities and Infrastructure System. The Direct Digital Control system that controls the heating and cooling in the Mann Building is original to the 1988 structure. Due to its age 80% of the valves have to be manually adjusted to achieve the desired temperatures. Desired temperatures are reached, but to attain this is manual

and time consuming. This is a software based system that contains parts that are no longer available on the market. The pneumatic control heating and cooling system in the Mcleish Building is workable, but of old-fashioned design and very manual. The Mcleish Building is a one pipe mono-flow tee system as opposed to a two-pipe system, which would have been more efficient in heating the space. The Mcleish building was constructed in 1973- 1975 during the energy crisis when there was a perceived benefit to saving money by putting in a one-pipe system.

The Home is serviced by substations of the local utility company. If the Home loses its primary electrical source from the utility, within five seconds the utility transfers the Home to the secondary source and the Home is under full power. The overall condition of the underground electric, given its age, is unknown. The boiler system in is good working order. The generator system is scheduled for replacement during FY2015. The current diesel generator meets the current codes for backup emergency power but is not capable of supplying any extra emergency power in the member care buildings.

j. Energy Audit. A general basic energy assessment was most recently completed in March 2012.

k. Assessment of Existing Land. The current site is approximately 89 acres and appears adequate to support the additional construction of a new facility, while potentially tying in with the current supporting road structures if required, to allow access to existing maintenance buildings, etc. The State Veterans Cemetery occupies 1 1/2 acres of this site and contains around 5,000 graves. The current projection is that it has approximately six to eight years of space left for burials. It is probable that a columbarium structure will have to be erected in the near future for cremains to extend the active use of the cemetery. The roads in the cemetery are in need of replacement and are in fair to poor condition. The landscaping in the cemetery is old and needs consistent maintenance attention and possibly irrigation.

The federally operated VA Clinic building that is to the rear of the Home's property is vacant. The VA moved their clinic operation to a new and modern location with better highway access. The property is owned by a private entity and is currently listed for sale.

IV. Implementation Plan

a. Itemized List of Major Projects/Estimated Cost. The below priorities are submitted together, and reliant upon one another. For example, the site's (5) year capital planning needs will change drastically if the decision is made to not build new facilities.

1) Construction of (2) new veterans homes: (1) in Grand Rapids on the existing site, and (1) in SE Michigan at a site TBD. Total Est Cost TBD.

2) Long Term Site Planning \$1,000,000. This project is detailed within the submitted capital request and is intended to support the long term utilization of the site in accordance with the workgroup's recommendations.

3) Facility Stabilization Costs. \$1,000,000 annually. Throughout the workgroup, HOK was utilized to provide various assessments on costs. Included in those, were estimates for what dollar amount would be required annually to maintain the existing facility to ensure compliance with all applicable state and federal codes and regulations, while conducting a census decrease and constructing two new facilities. The estimate yielded \$1MM. The homes (DJJHV and GRHV) currently share an annual standing capital outlay of \$500,000, of which they relatively "split". To achieve the needed \$1,000,000, GRHV would require an additional \$750,000 specifically allocated to GRHV's already existing \$250,000. This plan includes an attached assessment completed by the Home's leadership to assess what capital costs would be required to continue operations and remain in compliance with applicable codes, should the plan for constructing new facilities not be adopted.

4) Design and Engineering of New Facilities. \$5,456,482. The proposed funding allows for the initial design and engineering costs associated with building (2) new veterans homes in Michigan: (1) on the current site of the Grand Rapids Home for Veterans, and (1) at a site yet to be determined in SE Michigan, in order to serve the large veteran population that resides in that vicinity. The proposal is contingent upon FY17 supplemental one-time funding that affords the ability acquire a site in SE Michigan, survey the site in Grand Rapids, and prepare both for the follow-on construction of two new Homes. This request, along with all the requests submitted in regards to the Veterans Homes, are tied together and rely upon each other. The Veterans Long-Term Care Workgroup recommended the construction of (2) new homes and the change in governance to an authority model, after which legislation was proposed in alignment with these recommendations. This specific proposal provides the funding to being the work on this project, assuming all other requests are approved and legislation is passed.

b. Impact. The movement forward with constructing new facilities and moving to an authority model of governance affords many advantages, as discussed in detail in the Veterans Long-Term Care Workgroup's recommendations. This includes modernizing and improving the care provided to our veterans, the eventual elimination of a structural deficit, creating a model of financial sustainability, and reducing the assessed need to spend over \$30.8MM in capital needs for required facility renovations if the new homes are not constructed (as shown in an attached file).

The new facilities will provide homelike rooms affording more dignity and quality of life to the Michigan veterans who live here and rely on the State of Michigan for their medical care and quality of life. The federal Omnibus Budget Reconciliation Act (OBRA) of 1987 amended the Medicaid program requirements for nursing homes and OBRA

(425CFR483.70[d]) specifies that member rooms must be designed and equipped for adequate care, comfort, and privacy of the resident. The current program structure does not allow for adequate privacy for veterans and their families and it does not provide a home-like environment.

Lastly, the investment(s) in new facilities and a new form of governance proposes an opportunity to the Legislature, Executive Office, and citizens of the State of Michigan to make a positive impact on the future of how the State cares for the men and women who have worn our nation's cloth. It is time the State of Michigan "do this right."

The prioritization of needs for GRHV capital needs, assuming the ongoing construction of (2) new homes, will be driven by individual project and its immediate need for health & welfare, and operations & cost, versus the ability to create intermittent solutions that prevent significant investments. In summary, the requested stabilization costs for capital outlay for GRHV will be utilized to maintain operations and remain within compliance, limiting investment to absolute need, while two additional facilities are being constructed.

c. Operational Savings. The proposed plan requires significant "up-front" investments with savings to be realized over time. It is estimated if a new facility is not constructed, the Home could require more than \$30.8MM in renovations, equipment replacements and repairs, and other capital-type costs due to the poor condition of the facility and the need to maintain and/or return to compliance with appropriate regulations and standards. Similarly, the construction and change of governance affords the opportunity to create a system of homes, in regions where they are needed, in line with the common standards of long-term care, while creating the ability and flexibility to develop and establish a model of financial sustainability and growth.

Michigan Veterans Affairs Agency

D.J. Jacobetti Home for Veterans

I. Mission Statement

Michigan Veteran Affairs Agency Mission Statement: Serve as the central coordinating point, connecting those who have served in the United States Armed Forces and their families, to services and benefits throughout the State of Michigan.

The primary mission of the D.J. Jacobetti Home for Veterans is to surround members with a home-like environment in which they are nurtured, strengthened, and comforted so that they may enjoy life to the fullest extent possible.

Keeping pace with the disabled population's changing needs, the D.J. Jacobetti Home for Veterans is a modern nursing home that serves and encourages its veterans to function at their maximum level. The D.J. Jacobetti Home for Veterans' staff places great emphasis on tailoring care plans to a member's individual needs to encourage their independence, rather than dependence. To that end, the Veterans' Home has adopted a comprehensive minimum data set needs assessment process. Every person admitted to the Home is thoroughly evaluated by medical services, social services, nursing, activities, dietary and physical therapy in terms of abilities and disabilities. Based on this comprehensive assessment an Interdisciplinary Care Plan is established within the first seven days of admission. An Interdisciplinary Team Meeting is conducted every 90 days to measure progress. The care plan also measures the deterioration that comes with the aging process and associated diseases and disabilities. The focus is always on the member's abilities rather than disabilities. A State Veterans Home operated under the Michigan Department of Military and Veterans Affairs, Michigan Veterans Affairs Agency, the D.J. Jacobetti Home for Veterans provides 184 nursing care beds, two isolation beds and 22 residential beds.

The D.J. Jacobetti Home for Veterans will provide the highest quality of care to its Members and provide an environment that promotes a meaningful quality of life. To attain this goal, the Home must continually assess its programs and services to meet the ever-changing needs of the veteran.

Objectives:

1. Maintain compliance with the laws, regulations, requirements, and standards of the State Nursing Home Regulations and the Federal V.A. Nursing and Domiciliary Standards.
2. Provide the best possible medical and nursing care to meet the needs of each veteran as determined through individual assessment, health professional intervention, and care planning.

3. Continually refine and develop programs to meet the changing needs of the State's veteran population while maximizing non-general fund revenues and improving the quality of care.
4. Develop, expand, and maintain professionally directed, therapeutically beneficial rehabilitation initiatives consistent with veteran needs and facility resources that will assist each veteran in achieving and retaining their maximum functional level.
5. Maintain a clean, safe, attractive environment, including buildings, grounds, equipment, and areas supportive to veterans' care.

Michigan Veterans Affairs Agency Values: Inclusion, Integrity, Transparency, Innovation, and Respect.

Inclusion is proactive behavior that makes each member feel welcome and a part of their care plan providing a compassionate response to the needs of veterans and their families.

Integrity incorporates the qualities of honesty, trustworthiness, and personal responsibility into a commitment to provide excellent service in a fair and consistent yet flexible manner.

Transparency is the fact in which all relevant information regarding our Home is fully and freely available to the public and capable of being explained.

Innovation is creating and seeking opportunities to demonstrate continuous improvement to meet the ever changing needs of our members and offers them the opportunity to achieve independence and self-worth.

Respect is shown for personal circumstances and promotes an inclusive environment, encouraging creativity, humor, and flexibility.

We treat each Member, family, and employee with compassion, dignity and respect; exceed our customers' expectations; and recognize and honor service to our country.

II. Programming Changes

The Home is pursuing Medicare/Medicaid certification during FY 2017 and plans to be certified in FY2018. Some Life Safety and other renovations may be necessary for this process, but specifics have not yet been identified. In addition to certification, the health care industry continues to evolve and the Veterans Home needs to adapt and change to meet the challenges of our aging population.

The most significant trend that is already impacting the operation of the facility is the increasing medical/nursing acuity and the frequency of applicants with serious mental illness and difficult to manage behavior. The DJJHV has received operational funding to convert our one 63-bed “basic nursing” unit to be staffed and operated as a skilled nursing unit. This will occur in FY17 and some physical plant modifications will be necessary to deal with this changing caseload.

At the D.J. Jacobetti Home, we have a need to maintain and upgrade our physical plant to ensure life safety systems are sound and to improve the environment for the veterans who live here. It is imperative to ensure that the facility is modernized to provide a safe and quality living environment.

Modern long-term care incorporates a true “home” environment for aged residents and we continually strive to create a home-like environment. The renovation of the interior spaces in the oldest part of the facility will make the Jacobetti Home a safe and modern “home” for the veterans we care for.

III. Facility Assessment

Age, Usage and Physical Condition:

The Home is operated as a long-term care facility and the buildings along with the parking lots encompass 90% of the available land. The original building was constructed in 1954 and has undergone additions in 1965, 1967, and 1988. The latest construction in 1988 was a 50-bed addition and this wing has an independent heating system and a shared chilled water cooling system (updated 2012). The Home is constructed of masonry and brick veneer walls with interior plaster finishes. With the exception of the 1988 50-bed addition, ceramic tiles are installed up to 48 inches above finished floors in public areas. The roof has an average of 6 inches of insulation except over the Chapel.

a. Building Utilization. The Home maintains a skilled nursing occupancy rate of 95%.

b. Mandated Facility Standards. VA Nursing Home and Domiciliary Care Standards for State Veterans Homes, Michigan Dept. of Community Health State Nursing Home Licensing Standards, OSHA Standards, MIOSHA Standards, Food Service HACCP Standards, Life Safety Codes enforced by State Fire Marshall

c. Functionality of Existing Structures/Space Allocation to Program Areas Served. Approximately 560 sq. ft. per member.

d. Estimated Replacement Value. \$38,678,000; Based on grant requests from the VA State Home Construction Grant Program.

e. Assessment of Utilities System. All resident areas of the Home are air-conditioned. Some staff and utility areas are not air conditioned. The electrical system was updated in 2006 with the installation of a new emergency generator, transfer switch and replacement of many power panels and feeders. In addition, corridor lighting was upgraded to meet NFPA Life Safety Code. An automated fire suppression sprinkler system was installed in 2006, providing coverage to the entire building. Previously, only hazardous areas and a portion of the nursing units were sprinkled. A large portion of the plumbing system in the oldest part of the building has been replaced; however, additional upgrades will be required. Due to deterioration of the system, some repairs are needed on an on-going basis as the waste and vent piping disintegrates. The heating system was upgraded in 1998 and is in fair condition. Some emergency re-tubing was completed in 2007.

f. Assessment of Infrastructure. Much of the roofing has been updated and is in good condition, with the most recent upgrade occurring in 2015 on our Part F wing. The amount of parking available is barely adequate at this time due to an increasing number of volunteers, visitors and families at the Home each day. We no longer are able to utilize parking in an adjacent abandoned parking lot (non-State owned), as the building is being renovated for low cost housing.

g. Adequacy of Utilities and Infrastructure Systems to Current and 5-Year needs. The plumbing system is adequate but requires ongoing repairs. The roofs are currently adequate. The parking is in good condition, although expansion is needed.

h. Assessment of Existing Land; Capacity for Future Development; Acquisition needs. Existing land is adequate for current operations, but additional land adjacent to the facility is needed for additional parking.

IV. Implementation Plan

\$500,000 of standing capital outlay dedicated to the DJJHV for ongoing needs based on priorities will allow the facility to maintain compliance with applicable codes and regulations, and increase quality of life for its members, through the below priorities that may be executed over the next (5) appropriation years.

a. Itemized List of Major Projects/Estimated Costs.

- 1) Medicare/Medicaid Certification Life Safety Renovations (\$250,000)**
- 2) Security Cameras (\$100,000)**
- 3) Renovation of Physical Therapy (\$150,000)**
- 4) Renovation of 2-West Nursing Unit (\$700,000)**
- 5) Renovation of 3rd Floor Unit (\$500,000)**

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- 6) Renovation of 1-West Nursing Unit (\$700,000)
- 7) Replace Air Handling Units (\$300,000)
- 8) Humidifier Replacement (\$120,000)
- 9) Replace Doors (\$300,000)

b. Impact.

Based on the Home's needs and priorities, we have scheduled our requests in priority order. The impacts of not addressing the issues requested for FY 2017 are as follows: The replacement of the oldest air handling units and steam humidifiers are the final phase of updating the core mechanical infrastructure of the building. Once completed, the usable life of this building is extended for decades. In addition, proactively completing these updates greatly reduces the probability of failures requiring emergency repairs or replacement.

Renovations and upgrades are as important for current veterans (22% are WWII era) as they will be for future veterans and completing the renovations as soon as feasible is the prudent action in our efforts to provide long-term care for our Nation's heroes.

c. Rate of Return/Savings Generated by Capital Outlay. Maintaining modern and up-to-date physical plant and living environment allows us to maximize our nursing census, which in turn, maximizes federal and restricted revenues, reducing the State portion of the cost of operating the home.

For long-term planning for capital outlay, the State would be best served by eventually investing in a new building, in accordance with the Veterans Long-Term Care Workgroup recommendations, that provides for more cost effective operation and meets current standards of care vs. continuing to invest heavily in the current aged facility.