

Michigan Veterans Facility Authority Board Meeting



Time: September 17, 2019 10:00 AM - 1:00 PM EDT

Location: MVAA HQ - 222 N. Washington Ave. Lansing, MI 48933

	Agenda Item	Time	Info or Action	Presenter	Page
1	Pledge of Allegiance	10:00 am	-		
2	Attendance Roll Call	10:00 am	-	David Henry	
3	Approval of Agenda	10:00 am	Action	David Henry	1
4	Approval of Proposed Minutes	10:00 am	Action	David Henry	2
5	Public Comment (limit to 3 minutes)	10:05 am	Info		
6	Housekeeping:	10:10 am	-	Anne Zerbe	
	i. Health System Update		Info	Steve Rolston	
	ii. Approval of Organizational Name/Logo		Action	Fred Schaible	
	iii. 2019 & 2020 Meeting Dates		Action	Anne Zerbe	5
	iv. Open Committee Positions		Action	Anne Zerbe	6
7	Executive Committee:	11:00 am	-	David Henry	
	i. 501c3 vs. Foundation Analysis		Info	Anne Zerbe	7
	ii. Fundraising Consultant		Action	Anne Zerbe	13
	iii. Dykema Contract Increase		Action	Anne Zerbe	14
8	Finance Committee:	12:00 pm	-	Spencer Hoover	
9	Governance Committee:	12:15 pm	-	MaryAnne Shannon	
10	Building & Facilities Committee:	12:30 pm	-	David Henry	
	i. New Construction Update		Info	Mike Hassan	15
11	Board Comments	12:50 pm	Info		
12	Public Comments (limit to 5 minutes)	12:55 pm	Info		
13	Adjournment	1:00 pm	Action		

**MICHIGAN VETERANS FACILITY AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING**

August 20, 2019
10:00 a.m.

PROPOSED MINUTES

A meeting of the Michigan Veterans Facility Authority (MVFA) Board of Directors was called to order at 10:02 a.m. by Chair David Henry. The meeting was held at the Binsfeld Senate Office Building, Room 1100 – 201 Townsend St., Lansing, MI 48933.

1. Pledge of Allegiance

2. Attendance Roll Call

Chair David Henry called for a roll call of members present.

The following members were present: Zaneta Adams, David Henry, Mary Naber, Brad Slagle, David Rutledge, and Larry Yachcik (present at 10:05 a.m.)

The following members were absent: Henry Boutros, Spencer Hoover, MaryAnne Shannon

3. Approval of Agenda

Adams, seconded by Naber, motioned to accept the meeting agenda dated August 20, 2019 as presented. The motion passed 6-0.

4. Approval of Proposed Minutes

Rutledge, seconded by Adams, motioned to accept the proposed meeting minutes dated July 16, 2019 as presented. The motion passed 6-0.

5. Public Comment

None

6. Interviews for the MVFA CEO/ED Position

Fred Schaible provided an overview of the interview process to the board members.

Candidates interviewed:

Rand O'Leary was interviewed from 10:08 a.m. until 11:00 a.m.

Lori Portfleet was interviewed from 11:03 a.m. until 11:38 a.m.

7. Meeting Break, Interviews Resumed

Chair Henry called for a meeting break at 11:39 a.m.

Chair Henry resumed the meeting at 12:05 p.m.

Fred Schaible instructed the board to continue with the interview process.

Candidates interviewed:

Michelle Waggoner was interviewed from 12:08 p.m. until 12:28 p.m.

Anne Zerbe was interviewed from 12:35 p.m. until 1:10 p.m.

8. New Business

The board conducted a discussion regarding the qualifications of the candidates.

Rutledge, seconded by Adams, motioned to remove Rand O'Leary and Michelle Waggoner from consideration for the position of MVFA CEO/ED. The motion passed 6-0.

The board continued to discuss the qualifications of Lori Portfleet and Anne Zerbe.

Rutledge, seconded by Henry, motioned to advance Anne Zerbe's name to the Governor's Office as the MVFA board's recommendation for the position of MVFA CEO/ED. The motion passed by roll call vote 6-0 with members Adams, Henry, Naber, Rutledge, Slagle, and Yachcik in favor.

9. Board Comments

Adams – None.

Slagle – Happy to be here and looking forward to serving on the board.

Naber – Appreciates the process, although she was initially skeptical.

Rutledge – Appreciates the work provided by Fred Schaible.

Yachcik – Appreciates the work provided by Fred Schaible and believes the board has selected the right candidate.

Fred Schaible concluded by stating that he will call the candidates today regarding the board's recommendation. He will also develop a formal letter from the Chair thanking the candidates for their time and interest.

10. Public Comments

Mark Sutton, Public Relations Director for the American Legion, stated that Anne Zerbe is the only person he can argue with and yet remain friends. He also stressed the importance of having a strong veteran in the upper echelon of the MVFA who will talk to and show a presence to the veteran community. Mr. Sutton stated that the

board made a good choice in selecting Anne Zerbe for the position and he is pleased to work with her. Lastly, he shared that he is pleased to see Brad Slagle again.

Kellie Cody Jr., State Veterans Facility Ombudsman, asked how Anne Zerbe will be notified of the recommendation to the Governor's Office.

Tracey Nelson, Grand Rapids Home for Veterans (GRHV) Administrator, thanked the board for its selection, and Anne Zerbe has been instrumental in bringing staff together and supporting them.

Steve Rolston, COO of the Michigan Veteran Health System, congratulated Anne Zerbe and shared that she is not afraid to challenge him.

Fred Schaible escorted Anne Zerbe back to the meeting. Chair Henry stated that it is his privilege to recommend Anne Zerbe's name to the Governor for the position of MVFA Executive Director. He stressed that the board is excited for the challenges ahead, and Ms. Zerbe has the support of the board.

Tiffany Carr, GRHV Public Relations Director, indicated she has worked for the Home for 19 years. With the addition of Tracey Nelson and Steve Rolston driving the mission of the Home, the GRHV is improving. She added that Anne Zerbe will help with the partnerships and she appreciates the process of finding a leader.

6. Adjournment

Adams, seconded by Rutledge, motioned to adjourn at 1:58 p.m. The motion passed 6 to 0.

The meeting was adjourned at 1:58 pm.

David Henry Jr.
Board Chairperson

To: Michigan Veterans Facilities Authority Board
From: Anne Zerbe – MVFA Transition Support Executive
Date: September 9, 2019
Re: MVFA Board Meetings for the Remainder of 2019 and 2020

BOTTOM LINE UP FRONT

During the October 2018 MVFA board meeting, the board approved the FY'19 meeting schedule which included dates through September 2019; no dates were designated for the October/November/December 2019 meetings.

BACKGROUND

Previously, the MVFA board meetings were conducted on the third Tuesday of each month. Due to other standing commitments, Major General Paul Rogers has not had the opportunity to attend a MVFA board meeting; therefore, scheduling meetings on the third Thursday of each month affords General Rogers the opportunity to attend the meetings.

In October 2018, the board stressed the importance of one designated location to conduct the board meetings to ensure consistency and accessibility of MVAA staff. Staff from the Homes have repeatedly requested the MVFA board to conduct board meetings at both homes; similar to the practice of the Board of Managers.

RECOMMENDATION

As the MVFA Transition Support Executive, I recommend that the board approve the following dates/times/locations for the remainder of 2019 and the full calendar year of 2020. The dates should reflect the third Thursday of each month, except for November 2019.

In addition, I recommend that the meetings be conducted at the MVAA, 222 North Washington Square in Lansing, with the exception of May and July. The Grand Rapids Home for Veterans should host the May meeting and the D.J. Jacobetti Home for Veterans should host the July meeting.

October 17, 2019	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
November 14, 2019	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
December 19, 2019	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
January 16, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
February 20, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
March 19, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
April 16, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
May 21, 2020	10:00 a.m. – 1:00 p.m.	Grand Rapids Home for Veterans
June 18, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
July 16, 2020	10:00 a.m. – 1:00 p.m.	D. J. Jacobetti Home for Veterans
August 20, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
September 17, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
October 15, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
November 19, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing
December 17, 2020	10:00 a.m. – 1:00 p.m.	MVAA in Lansing

To: Michigan Veterans Facilities Authority Board
From: Anne Zerbe – MVFA Transition Support Executive
Date: September 9, 2019
Re: MVFA Board Committee Vacancies

BOTTOM LINE UP FRONT

Due to MVFA board committee vacancies resulting from the recent departure of two board members, I recommend filling the following the vacancies:

- 1 - MVFA Officer, Board Secretary
- 1 – Building and Facilities Committee
- 2 – Finance Committee
- 1 – Fundraising Committee

BACKGROUND

With the recent departure of A. Rocky Raczkowski from the board, three positions are open; Board Secretary (Officer), a member of the Building and Facilities Committee, a member of the Finance Committee.

Likewise, with the recent departure of John Thorhauer from the board, two committee positions are open; a member of the Finance Committee and a member of the Fundraising Committee.

RECOMMENDATION

As the MVFA Transition Support Executive, I recommend that the board nominate one of its members as Board Secretary at the September 17, 2019 meeting, with the election to be held at the next regularly scheduled meeting.

MVFA Board Chair – David Henry Jr.
MVFA Board Vice-Chair – Mary Naber
MVFA Board Treasurer – Spencer Hoover
MVFA Board Secretary – **Vacant**

In addition, I recommend that Chair Henry appoint board members to fill the committee vacancies and appoint/reappoint the chairperson.

Building & Facilities Committee – David Henry Jr., David Rutledge, **Vacant**
Finance Committee – Spencer Hoover, **Vacant, Vacant**
Fundraising Committee – Spencer Hoover, **Vacant**
Governance Committee – David Rutledge, MaryAnne Shannon, Larry Yachcik



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MEMORANDUM

Attorney-Client Privileged Communication

TO: Michigan Veterans' Facility Authority Board of Directors

FROM: Leonard C. Wolfe
Hilary L. Vigil

RE: Alternative Fundraising Structures for Michigan Veterans' Facility Authority

DATE: August 15, 2019

At our recent meeting with Anne Zerbe and Fred Schaible of the Michigan Veterans' Facility Authority ("MVFA" or the "Authority") and Michelle Brya, Joshua Booth, and Catherine Waskiewicz of the Michigan Attorney General's Office ("AG's Office"), we discussed the practical challenges presented by the Authority's plan to establish an IRC Section 501(c)(3) private nonprofit corporation ("501(c)(3)") outside of State government. While the incorporation of the 501(c)(3) can be accomplished, there are many start-up, implementation, operational and funding issues that need to be addressed in advance to ensure that the 501(c)(3) option is in the MVFA's best interest. These issues became apparent to Authority staff, the AG's Office, and us as we proceeded to finalize documentation for 501(c)(3) incorporation. At the conclusion of that meeting, and because of some of the legal and practical issues discussed, we were asked to prepare for the MVFA Board of Directors ("Authority Board") a memorandum outlining the options available for carrying out the Authority's fundraising powers and functions.

Although the current direction is to establish a 501(c)(3) entity as the fundraising arm of the MVFA, the practical challenges of setting up and operating a nonprofit corporation outside of State government requires Authority Board input and consideration of alternative options before moving forward. This memorandum lays out the advantages and challenges presented by a government-created 501(c)(3) and examines two other options for how the Authority could fundraise without creating a separate nonprofit corporation.

Option 1: Fundraising through a Separate, Nonprofit 501(c)(3) Entity

Based on our discussions with Authority staff, we understand that the Authority Board perceives several advantages to carrying out its fundraising powers and functions through a 501(c)(3). These advantages include: (i) operating as a private (as opposed to government) entity; (ii) having more flexibility to hire staff or consultants; (iii) being able to expedite contracts with third parties; (iv) the ability to appoint a board tailored to the Authority's fundraising mission (including veterans and other individuals with fundraising expertise); and (v) securing donations from nonprofits and donors who may be reluctant to give to the State for veterans' facilities¹.

If the Authority decides to move forward with a separate 501(c)(3) as its fundraising arm, several open issues will need to be addressed. Most of these issues involve the start-up and implementation of the 501(c)(3). Following incorporation, the 501(c)(3) will need to complete a number of tasks to become operational. Based on our discussions with Authority staff, no specific monies have been identified for 501(c)(3) start-up or operation expenses. Although the Authority has funds in its budget that could be allocated to pay for the Authority's direct fundraising costs, it is not clear whether those appropriated funds can be used to support the start-up and operational expenses of the 501(c)(3). The Authority will need to determine what options are available to fund the 501(c)(3) operations, and what limitations, if any, the Authority would have on using its appropriated funds to support the 501(c)(3). Other operational expenses that must also be covered (some right away and others as the 501(c)(3) becomes operational) include personnel, director/officer liability insurance, website design and maintenance, mailings, third party fundraising contracts, board meeting expenses, accounting, auditing, investment advisors and legal.

Another issue involves whether Authority employees can spend time during the work day on the start-up and operations of the 501(c)(3). Generally speaking, public employees are not permitted to spend time working for a separate, private entity during the hours that the public employee is compensated by the State to perform public duties. The Michigan Civil Service Commission's Rules provide that classified employees cannot "[e]ngage in any supplemental employment during actual-duty time."² Rule 2-8.2(a)(9). Employees of the Authority may run

¹ We are not entirely clear whether this is a control or tax deductibility issue. Generally, donations that are made to qualifying organizations (which would include the State or any of its political subdivisions) for a public purpose are deductible.

² "Actual-duty time" means "the time that an employee is scheduled to receive compensation, benefits, or benefit accruals for the performance of the employee's public duties as a member of the classified civil service. Actual-duty time includes all scheduled work time and overtime. Actual-duty time does not include the time an employee is on approved leave from the employee's public duties as a member of the classified civil service, even if the employee receives compensation, benefits, or benefit accruals for the time." Civil Service Commission Rule 9-1.

afoul of this rule if they perform work for the 501(c)(3) during actual-duty time.³ Tasks that must be performed include recordkeeping, establishing bank accounts, acting as the corporate resident agent, contract bidding, contract administration, mailings, communications and coordinating with the Authority, to name a few.

In addition to funding and operational challenges, the Authority Board needs to be aware that setting up a 501(c)(3) results in giving up certain control over fundraising for veterans' facilities. While the 501(c)(3) draft organizational documents give the Authority Board certain reserved powers as the sole member of the 501(c)(3), such as the power to appoint, remove, and replace the 501(c)(3)'s directors, the documents do not reserve specific fundraising powers and functions for the Authority Board or allow Authority Board control over 501(c)(3) fundraising decisions and priorities. This may lead to conflict between the Authority Board and the 501(c)(3) board in the future (e.g., differences over fundraising campaigns, what facility projects should be funded or what amounts raised should be allocated to certain Authority facility projects).

Another issue to consider is the 501(c)(3) will be competing with other nonprofits raising funds for veterans' causes. The Authority, on the other hand, has a built-in fundraising purpose: the funds would go directly towards constructing and supporting state-operated veterans' facilities. The Authority may be able to capture a different portion of funds available for donation *because* it is the government, while a 501(c)(3) may encounter additional competition from other nonprofit veterans' organizations.

In sum, establishing a 501(c)(3) as the fundraising arm of the Authority poses certain start-up and operational challenges. In order to move forward with the 501(c)(3), we recommend that the Authority Board address the funding, staffing and implementation issues noted above. In addition to the 501(c)(3) option, the Authority Board may also want to consider two other alternatives.

Option 2: Fundraising by the Existing Board with Existing Powers

It is important recognize that MVFA currently has statutory authority to fundraise in support of veterans' homes. The MVFA's authorizing statute, the Michigan Veterans' Facility Authority Act, Public Act 560 of 2016, MCL 36.101 *et seq.* (the "MVFA Act"), grants the Authority power to "*solicit and accept gifts, grants, and loans from any person*" and to "invest any money of the authority at the authority's discretion, in any obligations determined proper by

³ The Standards of Conduct for Public Officers and Employees ("State Ethics Act") should also be reviewed to ensure Authority employees who performed worked for the 501(c)(3) are not in violation of this act. MCL 15.341 *et seq.*

the authority, and name and use depositories for its money.”⁴ MCL 36.106(1)(a)-(b) (emphasis added). The Authority may use its money to “develop or operate 1 or more veterans’ facilities,” among other statutory purposes. MCL 36.106(1)(l). In combination, these provisions allow the MVFA to fundraise, invest its funds, and use all funds and earnings to develop, operate, or support veterans’ homes. From an organizational perspective, this option is the easiest to implement because the functions and powers can be carried out by Authority staff without an additional entity or changes to the Authority’s enabling statute.⁵ This option is also beneficial because the MVFA Board has broad discretion over how money is invested and used, within the limits of the Board’s statutory authority.

The MVFA Act also provides some protection for the Authority’s funds, in that it isolates them and prohibits them from being commingled with funds of the Department of Military and Veterans Affairs, for example, or with any other funds of the State. The MVFA Act states that “the authority shall be treated and accounted for as a separate legal entity with its separate corporate purpose” and that “[t]he assets, liabilities, and funds of the authority shall not be consolidated or commingled with those of this state.” MCL 36.103(2).

This option is advantageous to the Authority because none of the challenges presented by a 501(c)(3) are present. The Authority could allocate existing funds to begin a capital campaign and could assign Authority staff to oversee the fundraising efforts. Although there may be some additional costs associated with a capital campaign, those costs are likely less than the cost of establishing and operating a separate 501(c)(3) corporation. The Authority would also be in direct control of the funds raised and the best way to spend the funds to support veterans’ homes.

Option 3: Fundraising through a Legislatively Established Fund

In our meeting with Authority Staff and the AG’s Office, a question was raised on whether the Authority could operate its fundraising powers through a separate fund similar to The Children’s Trust Fund. The Children’s Trust Fund is not organized as a separate nonprofit entity operating outside of state government. Instead, it is “created as a charitable and educational endowment fund in the department of treasury.” MCL 21.171. The Child Abuse and Neglect Prevention Board (“Prevention Board”) fundraises for the Children’s Trust Fund by entering into contracts with charitable organizations licensed under the charitable organizations and solicitations act, MCL 400.2271 et seq., and all funds raised are “transmitted to the state treasurer for deposit in the trust fund and [are] made available for expenditure as appropriated by the legislature.” MCL

⁴ The Authority can also “[s]olicit federal funds and other funding sources to develop veterans’ facilities.” MCL 36.106(1)(m).

⁵ The Authority Board has broad powers to either employ or contract individual consultants or entities with fundraising expertise. MCL 36.105(10); MCL 36.106(1)(h).

722.608. The Prevention Board is a fifteen (15) member board comprised of certain State department directors and eleven (11) members appointed by the Governor with advice and consent of the Senate. MCL 722.604. The Prevention Board may accept federal money for specific purposes and may accept “gifts, grants, bequests, and donations from individuals, private organizations, or foundations.” MCL 722.608(1)(a). The State Treasurer is responsible for directing the investment of the trust fund and must prepare annual accountings of revenues, including interest and earnings, and expenditures from the fund. MCL 21.171(3), (7). The Prevention Board authorizes disbursements from the fund for limited statutory purposes upon appropriation by the Legislature, following the fund distribution plan that the Prevention Board develops every two years. MCL 21.171(6), 722.606, 722.609.

If the Authority Board prefers to create a separate fund within state government, the Authority could mirror the Children’s Trust Fund structure by seeking legislative changes to the Authority’s enabling statute. This would include legislative changes to (1) create the fund within the Treasury Department; (2) establish limits on what the money in the fund can be used for; and (3) give the existing Authority Board power to operate the fund or appoint a separate board to do so. If a separate fund board is established, the Authority Board could determine who serves on the fund board, including veterans or other individuals with fundraising expertise, or those appointment powers could be given to another (e.g., the Governor appoints the fund board). In addition, Treasury could be specifically tasked with maintaining the fund, investing its assets, and accounting for revenue and expenditures, while the governing board could raise money and designate uses of the funds. The enacting statute could explicitly state the purposes for which funds could be used. These controls over the use of funds would ensure that money in the fund is spent as intended to support veterans’ facilities and the veterans who live there. This option is another way to set up a separate fund subject to the control of the MVFA and other parts of state government.

Conclusion

Of these three options—a separate 501(c)(3) nonprofit, the existing Authority structure, or a legislatively established fund—the existing Authority structure and statutory powers provide the most efficient and cost-effective alternative, as no legislative changes or additional work to set up a separate entity are needed. The Authority would also have the most control over its fundraising and spending to support veterans’ homes in the way the Board believes best. A legislatively established fund could also be an efficient and cost-effective alternative to a 501(c)(3) because the statute could authorize the existing Authority Board to operate the fund. This fund option is slightly more structured than the Authority’s current powers to fundraise: Treasury could be given responsibility for maintaining the fund, investing its assets and accounting. This option would



MVFA Board of Directors
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also ensure that funds raised and put in the statutory trust could only be used for authorized purposes.⁶

We trust that this memorandum is responsive to the Authority Staff's and the AG Office's request for additional information.

LCW & HLV

cc: Anne Zerbe
Fred Schaible
Michelle Brya
Josh Booth
Catherine Waskiewicz

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⁶ The Authority has the power to enter into agreements with other governmental entities (i.e., Treasury) and third parties to advise and invest funds raised. See MCL 36.107.

To: Michigan Veterans Facilities Authority Board
From: Anne Zerbe – MVFA Transition Support Executive
Date: September 9, 2019
Re: MVFA Fundraising Consultant Services

BOTTOM LINE UP FRONT

Given the pending approval to move forward with the establishment of either a 501©(3) or an endowment fund, it is recommended that the MVFA board authorize the Authority to retain a fundraising consultant service to engage in a campaign readiness analysis and provide a report on the Authority's fundraising capacity and recommendation plan to execute on the Authority's fundraising goals.

BACKGROUND

Fundraising Consultant Services to include:

- 1.) Pre-campaign feasibility assessment. Consultant develops a fundraising solicitation support document with detailed history of the Authority, its current needs, proposed solutions and a campaign budget.
- 2.) Final campaign readiness report: Consultant provides the board a report including:
 - Interviewees reaction to the project budget
 - Strengths and weaknesses of the fundraising case
 - Suggestions regarding campaign leadership
 - Personal interest in being involved with organizing a campaign effort
 - Suggestions regarding community donors
 - Willingness and inclinations to support the campaign from potential personal, corporate, foundation assets
 - Timing of campaign
 - Other trends and observations

RECOMMENDATION

As the MVFA Transition Support Executive, I recommend that the board approve the cost for this service not to exceed \$25,000.00 in Phase I.

To: Michigan Veterans Facilities Authority Board
From: Anne Zerbe – MVFA Transition Support Executive
Date: September 9, 2019
Re: Extension of Legal Services Contract

BOTTOM LINE UP FRONT

After consultation with existing staff, I recommend that the Michigan Veterans Facilities Authority (“Authority”) Board requests an increase of \$7,000.00 and an extension to December 31, 2019 on the contract entered into by the Michigan Department of Attorney General (“AG”) on behalf of the Authority for independent legal services.

BACKGROUND

At the request of the Authority Board, the AG entered into a contract for independent legal services with the law firm of Dykema to provide legal counsel regarding the establishment of a 501(c)(3) nonprofit corporation to provide support in carrying out the Authority’s statutory purposes under Public Act 560 of 2016. The second amendment of the contract expired on August 1, 2019.

RECOMMENDATION

As the MVFA Transition Support Executive, I recommend that the board request the AG to execute a third extension to increase the contract by \$7,000.00 (for a ceiling of \$37,000.00) and to revise the expiration date to December 31, 2019 on the contract for independent legal services contract with Dykema for the following purposes:

- Provide legal services through the submission of required legal documentation.
- Provide continuity of independent legal services, in the event they are needed.

New Home For Veterans



New Home For Veterans Construction Update

**Mike Hassan
17 Sep 2019**

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Chesterfield Construction Update

Contract Metrics:

▪ Contract No.	DTMB
▪ Contract Award Amount	\$65.5M
▪ Buyout Savings	\$521K
▪ Current Contract Amount	\$64.9M
▪ Award Date	26 April 2019
▪ Estimated Completion Date	Jan 2021
▪ Project Progress (As of 31 August 19)	15% Compl/15% Schld

Cost ● **Schedule** ● **Quality** ● **Overall** ●

- Manhours w/o incidents: **28,233** (as of July 2019) ●
- Veterans on the Job: **XX** Vets; One Trade Contractor

Issues & Challenges:

- Reimbursement process from VA
- IT Support meetings
- FFE Development of Specifications
- DTE Easement for overhead power lines

Way-Ahead:

- Two payments received by SOM totaling \$4.8M.
- IT support meetings held/approved IT PM addition to the team. Interviewing candidates this week.
- FFE acquisition strategy held with DTMB, and Specifications writing on track for Jan 2020 completion.
- DTMB issued a certificate to allow DTE to install temp power. Permanent easement in process.



VA Reimbursement Progress: \$6,088,202.61 or 13.2%
 Payment No. 1 -- July 2019: \$1,801,557.40
 Payment No. 2 -- Aug 2019: \$2,969,618.83
 Payment No. 3 -- Aug 2019: \$1,317,026.38

Owner Agency: MVFA
 Contract Administration: DTMB
 Designer of Record: TowerPinkster
 Construction Management: The Christman Company

Primary Contacts:

- MVFA Dr. Mike Hassan, (517) 275-2761
- DTMB Ms. Jan Miller, (517-284-7969)
- TowerPinkster Mr. Rob Courter, (269) 720-9935
- The Christman Company Ms. Nikki Kerchner, (517) 449-9492



Grand Rapids Construction Update

Contract Metrics:

Contract No.	DTMB
Contract Award Amount	\$53.3M
Buyout Savings	\$386,777
Current Contract Amount	\$52.9M
Award Date	26 April 2019
Estimated Completion Date	Jan 2021
Project Progress (As of 31 July 19)	8% Compl/8% Schld

Cost ● Schedule ● Quality ● Overall ●

- Manhours w/o incidents: **28,000** (as of July 2019)
- Veterans on the Job: **XX** Veterans (as of July 2019)

Issues & Challenges:

- Reimbursement process from VA
- IT Support meetings
- FFE Development of Specifications
- Asbestos identified in tunnel steam piping

Way-Ahead:

- Two payments received by SOM totaling \$3.8M.
- IT support meetings held/approved IT PM addition to the team. Interviewing candidates this week.
- FFE acquisition strategy held with DTMB, and Specifications writing on track for Jan 2020 completion.
- Asbestos abatement in tunnel is completed 8/23/2019



VA Reimbursement Progress: \$3,826,299.96 or 9.3%
 Payment No. 1 -- July 2019: \$1,738,006.81
 Payment No. 2 -- Aug 2019: \$2,088,293.15

Owner Agency: MVFA
 Contract Administration: DTMB
 Designer of Record: TowerPinkster
 Construction Management: The Christman Company

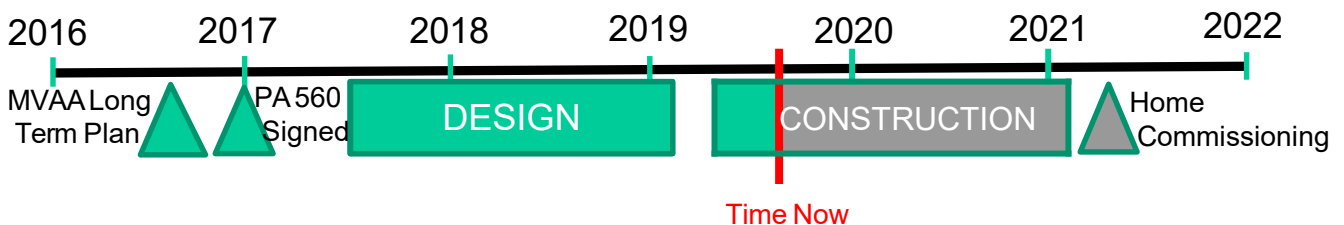
Primary Contacts:

- MVFA Dr. Mike Hassan, (517) 275-2761
- DTMB Mr. Chris Kulhanek, (517-749-2610)
- TowerPinkster Mr. Rob Courter, (269) 720-9935
- The Christman Company Mr. Mike Tarwater, (616) 799-5959



Projects Milestones

- 100% design completed: 10 Jan 2019
- Bid package released: 14 Jan 2019
- Contractors site visit: 18 & 22 Jan 2019
- Bids due from Contractors: 13 Feb 2019
- Bids review and selection: 14-27 Feb 2019
- Tree clearing complete: March 2019
- Contractor mobilization: Mid-April 2019
- Construction period: 21months
- Date construction expected to be completed: Jan 2021
- Date FF&E, Training, Licensing, etc.: Apr 2021





Significant New Construction Activities

➤ Current Activities – Chesterfield

- **Completed plumbing & electrical underground in Community Center and NE Neighborhood Buildings**
- **Completed Community Center slab on grade**
- **Completed Masonry Walls for NE, SE & SW Neighborhood Buildings.**
- **Installed panel walls/shear walls/roof trusses on NE Neighborhood**
- **Paving Ring Road - about 2/3 complete**

➤ Current Activities – Grand Rapids

- **Completed slab on grade East Neighborhood**
- **Completed East and South Neighborhood masonry walls**
- **Completed ½ of South Neighborhood slab on grade**
- **Continue wall panels and structural steel on East Neighborhood**
- **Continue Community Center footings and underground utilities**
- **Continue construction of the West retention wall off Monroe**
- **Started foundation on North Neighborhood**
- **Preparing for asphalt paving of the new driveway – scheduled 16-20 Sep 2019**



Project Photos - Chesterfield

➤ **August 2019 Activities**



NE Neighborhood Roof Trusses– 8/30/2019



Community Center Bldg Pad – 8/30/2019



Ring Road Paving – 8/30/2019



Community Center Wall Panels – 8/28/2019



Project Photos – Grand Rapids

➤ **August 2019 Activities**



Retaining Wall Underway - 8/29/19



CMU Wall S. Neighborhood– 8/29/19



Shear Walls E. Neighborhood – 8/29/19



Panel Walls E. Neighborhood – 8/29/19

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