

SUNSHINE COMMUNITY HEALTH CENTER
Grant # 0054-DC2002-17
July 1 – September 30, 2003

Denali Commission Quarterly Narrative Report

Summary of Project Status, Accomplishments To Date, Actions to Address Project Problems

Construction work resumed at Sunshine Community Health Center (SCHC) on May 6, 2003, and continues to move forward. Construction is on schedule with the revised substantial completion date of November 23, 2003.

In regard to the Community Development Block Grant (CDBG) funds, key-funding partners of SCHC, the Mat-Su Borough and the State of Alaska Division of Community and Business Development (DCBD) advocated with HUD and proposed shifting CDBG funds to furniture, fixtures and equipment (FF&E) instead of construction. After public comment and a public hearing at the Alaska Housing Finance Corporation (AHFC), AHFC approved the proposed amendments to the State's FY03 Annual Action Plan for HUD funding, which incorporated this shift to show the use of the funds for FF&E. The Transfer of Responsibilities Agreement with the Mat-Su Borough, which administers the Grant, was revised to meet the requirements of the funding and signed by the parties. A revised FF&E budget was developed and a list of vendors was sent to the Mat-Su Borough for inclusion in their approved vendor database. Official notification was received of the CDBG grant award.

Construction to date basically involves framing in the building, putting the roof on and marking individual rooms. Matanuska Electric Association (MEA) brought in 3-phase power to the site and Matanuska Telephone Association (MTA) extended the telephone lines from the current facility to the new site. Electrical and plumbing are on-going. The parking lot was paved.

On August 26, 2003, the SCHC Board of Directors approved color changes, based on the change to cedar siding. The Board also approved at its July 29 meeting to expend the funds to install necessary fire protection in the upstairs incidental storage area of the new facility.

Doug Cobb, Meridian Management, Inc., (MMI) Construction Manager, continues to come up at least two- three days per week to conduct site project management. Greg Curtis, SCHC Facility Manager, continues the coverage along with and in the absence of Doug Cobb.

MMI, Livingston-Slone and Susan Mason-Bouterse, Executive Director of SCHC, negotiated additional contractual costs for design; the requested increases were varied and complex, but the result was a \$22,500 increase, still within contingency limits.

We have received one Change Order (Change Order No. 2) from Wolverine Supply, Inc. (WSI) during the third quarter totaling \$24,084.47. At this stage of the project, given other anticipated needed changes, we are estimating total change orders to be in the range of \$150,000.

We have met all the required USDA grant conditions and disbursement of our USDA grant was approved. We have also received formal notice of the award of an amendment to add \$50,000 to our USDA grant.

The Denali Commission approved an amendment of \$200,000 to our grant, which basically covered the additional costs of digital radiography equipment and other unmet costs in areas, such as, service drive, landscaping, relocation expenses. Due to various restrictions of CDBG funds, it became clear in late August that we needed to apply CDBG funds to cover digital X-Ray equipment. We consulted with Joel Neimeyer regarding the use of Denali Commission additional funds for other project purposes and he responded affirmatively.

We have received encouraging indications from the Murdock Charitable Trust from which we have applied for funding of our dental equipment. The Program Manager assigned to our grant proposal made a site visit in mid-August and upon her suggestion, SCHC altered its project cost to incorporate all dental costs.

SCHC received notification that it was fully funded \$200,000 through the Alaska Initiative for the operation of a dental program. Hiring a dentist is not anticipated until next summer, but a dental assistant will be hired in the near future to help develop the program.

Ordering responsibilities were delegated to SCHC staff for FF&E; ordering has begun with a December 8 delivery and installation date for most equipment and furniture. The processing of purchase orders has begun. The Mat-Su Borough has received its first invoice from a vendor for payment out of the CDBG funds. Another connex was purchased and located on site for storage of FF&E for the new building.

Major Events Projected for this Quarter

Dirt work & underground utilities installed	July 2003
Concrete work finished	July 2003
Exterior walls, structural steel & roof framing begun	July 2003
Plumbing & electrical system roughed in	July 2003
Heating, ventilation, air conditioning, (HVAC), ductwork begun	July 2003
Framing completed	August 2003
Roof, shingles & flashing installed	August 2003
Asphalt paving scheduled	August 2003
Interior walls laid out & installed	August 2003
Interior plumbing, electrical, insulation, & vapor barrier begun	August 2003
Furniture/equipment locations, associated installation finalized	August 2003
Equipment, including air handler, generator & fuel tank arriving	August/September 2003
Siding & exterior finishes (paint) begun	September 2003
Matanuska Electric Association completed work	September 2003
Parking lot asphalted with parking & handicap lines marked	September 2003
Matanuska Telephone Association extended lines	September 2003
Well drilled	September 2003
Septic system nearly complete	September 2003
Building shell in place with doors & windows expected in a month	September 2003
Interior work ongoing, mostly heat/air, plumbing & electrical	September 2003

roughed in, wall board, insulation, etc., going in	September 2003
Orders placed for furniture, furnishings & equipment	September 2003
Fire Department connections coordinated with Area 24 Fire Chief	September 2003
Substantial completion date prior to work stoppage	November 9, 2003
Substantial completion date upon work resumption	November 21, 2003
Substantial completion date at end of third quarter	November 23, 2003
Delivery & installation date for most FF&E orders	December 8, 2003
Occupancy anticipated	January 2004

Denali Commission Quarterly Financial Report

Total Project Budget	Total Amount DC Funds Committed to the Project	Total Project Expenditures at End of Quarter	Total DC Expenditures at End of Quarter	Percentage of All Expenditures to Total Budget
\$5,105,900	\$1,049,000	\$2,787,887	\$565,139	54.6%

1. Project schedule including milestone dates for design and construction

See pages 2 and 3 of this quarterly report for detailed project schedule.

2. Project performance analysis on project line items, as defined by SCHC, showing budget costs compared to actual expenditures and obligation to date vs. work performed to date (for each line item)

See attached spreadsheet.

Funder	Design			Project Management			Construction			Administrative (artwork, permits)			F F & B			Total		
	Budget	Spent to Date	Balance	Budget	Spent to Date	Balance	Budget	Spent to Date	Balance	Budget	Spent to Date	Balance	Budget	Spent to Date	Balance	Budget	Spent to Date	Balance
DC # 1	125,000	83,344.36	41,655.64	177,000	103,196.10	73,803.90	361,250	361,250.00	7,181.95	10,000.00	2,818.05	175,650.00	14,430.77	161,219.23	849,000.00	563,139.23	285,860.77	
DC # 2												200,000.00	200,000.00	200,000.00	200,000.00		200,000.00	
CBDG							20,000	20,000.00				410,000.00		410,000.00	410,000.00		410,000.00	
Mental Health Trust																		
Providence	250,000	250,000.00	-												250,000.00	250,000.00	4.90	
Rasmuson							287,500	287,500.00							287,500.00	287,500.00	5.63	
SCHC Capital							25,000	25,000.00	26,160.78	35,000.00	8,839.22	15,000.00		15,000.00	75,000.00	8,839.22	0.17	
SCHC Local Contributions							43,000	43,000.00							43,000.00	43,000.00	0.23	
SCHC Inkind																		
***VHC							67,000	33,333.00				33,000.00		33,000.00	100,000.00	33,333.00	0.65	
USDA							2,561,400	1,560,075.01							2,561,400.00	1,560,075.01	30.55	
USDA Supplement							50,000	50,000.00							50,000.00	50,000.00		
Waterfall																		
*Murdock Charitable Trust	375,000	333,344.36	41,655.64	177,000	103,196.10	73,803.90	3,385,250	2,275,258.01	53,342.73	65,000.00	11,657.27	839,650.00	14,430.77	819,219.23	5,105,900.00	2,787,886.51	54.69	
TOTAL																		2,048,013.49

*Murdock Charitable Trust requested 100,000 not committed

**DC #1 not a part of the overall project (for our purposes only).

***VHC pledge is 33,333.33 per year - all funds not currently available.

Payment Process:

Wolverine sends payment request on 20th.

Meridian requires about a week for review.

USDA requires about two days for review.

Two days later money to show up in our account.