



State of Vermont
Department of Mental Health
108 Cherry Street, PO Box 70
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healthvermont.gov/mh

Agency of Human Services

March 17, 2008

Robert Thorn
Executive Director
Counseling Service of Addison County
89 Main Street
Middlebury, VT 05753

Dear Bob,

After consulting with the Department of Disabilities, Aging and Independent Living (DAIL) about your projected cost overruns for the two projects granted a Certificate of Approval on November, 26, 2007, we offer the following approvals and conditions.

Your COA application requested approval for two projects:

- The construction of a new building in Catamount Park for the projected cost of \$2,799,846.
- The renovation of CSAC's 89 Main Street building and an addition for a projected cost of \$760,856.
- The projected capital cost for both projects was \$3,560,702.

After reviewing the proposal for these projects, the Commissioners of Mental Health and of DAIL granted approved for the projects and the associated capital expenditure of \$3,560,702.

Subsequent communications from you indicated projected cost overruns of \$94,091. for the Catamount Part construction and \$345,207 for the 89 Main street Project. The latter was due to some unrecognized needs for major infrastructure enhancements. In addition, you agency was notified of an additional financing charge necessitated by a requirement for bond pool participants to purchase bond insurance. Your agency's share of the bond insurance will be \$82,000. In total, these costs increase the projected cost of both projects by \$521,298. In view of these projections, we approve and request the following:

1. The cost overrun for the Catamount Part construction amounts to a 5.5% increase over the original projection and will not be considered material. Your agency may proceed with this project with an approved capital expenditure of \$2,952,977.
2. The 89 Main Street project's revised cost estimates are significantly above the original projected estimates and are material. Although your agency has been authorized to spend \$760,856 on this project, no additional capital expenditures may be made without a COA to do so. Your agency needs to submit a new Certificate of Approval application to

proceed with the spending of any funds above the approved amount. Please be aware that this application must reflect the projected costs associated with the Catamount Part project. The DMH and DAIL review of this application will take into consideration the financial impact of both projects' revised projected expenditures. Our fiscal office must find that the revised costs associated with the 89 Main Street project are financially feasible in order for this application to be approved.

3. It is likely that the two Departments will require an independent architectural review of the revised plans and costs for the 89 Main Street project. The costs associated with this review will likely be charged to CSAC.

If you have any questions about these requirements, please do not hesitate to call me. We will look forward to receiving your application for revised capital expenditures associated with 89 Main Street, and wish you every success with the ground breaking and construction of your new building in Catamount Park.

Sincerely,

Dawn Philibert, MSW
Mental Health Systems Development Director

Cc: Bill Claessens, CSAC
Theresa Wood, DAIL
Bill Snyder, VDH