BOARD OF DIRECTORS
SPECIAL MEETING

Wednesday, November 4, 2026 at 5:00 pm
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

AGENDA

Page

1. CALL TO ORDER & ROLL CALL

2. PUBLIC INPUT (5 Minute Maximum Per Person)

3. FUTURE FACILITIES PLANNING

2-3 3.1 Consideration to approve the financing for property located at 3933 Monitor Road, Bay City, MI 48706 – *See pages 2-3*

4. BOARD MEMBER COMMENTS

5. ADJOURNMENT

OPTIONS FOR SECURING MORTGAGE ON 3933 MONITOR ROAD PROPERTY

Financial Institution	**1st State Bank**	**Independent Bank**	**Thumb Bank**	**Horizon Bank**
Mortgage Rate	**4.8%**	6.3%	5.78%	5.26%/5.38%
Date Quoted	10/28/2026	10/22/2026	10/26/2026	10/27/2026
Locked Rate	Rate remains if closing occurs by the end of the calendar year	no rate locks	Rate determined 5 days prior to closing	Rate determined a few days prior to closing
Type of Mortgage	5-Year Fixed Rate, resets every 5 Years, at the 5-Year Treasury Bill Rate	5-Year Balloon, 15 Year Amort.	5-Year Treasury Plus a Margin of 95 percentage points, resets every 5 Years at the 5-Year Treasury Plus 95 percentage points	Float to close: 5-Year Fixed Rate , Based on 5-Year treasury Rate Plus200 bps, resets every 5 Years at the 5-Year Treasury Rate Plus 200bps rate/10-Year Fixed Rate, Based on 10-Year Treasury Plus 200 bps rate
Max Loan-to-Value (LTV) Ratio	85% of cost or appraised value, whichever is less	80% LTV or Sale Price, whicever is less	80% of cost or appraised value, whichever is less	80% of cost or appraised value, whichever is less
Maximum Borrowing (Assuming Sale Price is Less than Appraisal)	$1,827,500	$1,720,000	$1,720,000	$1,720,000
Appraisal	Ordered by Bank, 3-4 week turnaround	Ordered by Bank, minimum 30 days to complete	Ordered by Bank 30 Days typically	Ordered by Bank 30-45 Days typically
Repayment Terms	Monthly P&I amortized over 180 months	Monthly Principal & Interest Pmts	180 Monthly P&I Pmts	120 Months of P&I Pmts, Based on 180 Months Amortization
Fees	$1,500 loan processing plus out of pocket expenses incurred by the bank/closing costs	$3,500 plus applicable closing costs	Origination Fee is 25 basis pointsof the loan amount, plus closing costs	$1,500 bank origination fee plus 3rd party closing costs
Prepayment Penality	**No penalty for early pay-off**	3% Months 1-12, 2% Months 13-24, 1% months 25-60. Allow up to 20% of principal repayment annually from excess cash flow	1% of outstanding principal balance	No penalties unless refinanced by another lender
Closing Documents	Prepared by outside counsel at the expense of BABH	Prepared by outside counsel at the expense of BABH		
Closing by 12/15/26	Likely if appraisal is ordered by early November.	Unlikely by 12/15/26. January 2027 more likely	Can meet deadline if get started right away with the financing process	Achievable if appraisal is rushed and ordered this week or first week of November
Require Phase 1 Env Study	NO	YES, must be on their approved list	Environmental Review	Can rely on our Environmental Studay as long as the company is on their approved list.
Other	Requires legal opinion on the tax-exempt rate	Requires legal opinion on the tax-exempt rate		1.25X Debt Service Ratio: Tested annually, Change in Net Position + Interest Exp + Depr + Amort - Extraordinary Gains and Income divided by P&I Pmts
Conditions		Business operating accounts to be opened with I.B., auto-pay required	Minimum deposit balance equal to 3 Months of calculated P&I Pmts. This amount is to be maintained at the Bank	Monthly Loan Pmts must come from a Horizon Bank Account otherwise rate increases 25bps
Reporting Requirements			BABH Annual Audit	BABH Annual Audit

RECOMMENDATION: Obtain mortgage through 1st State Bank

BAY ARENAC BEHAVIORAL HEALTH AUTHORITY
BOARD OF DIRECTORS

Resolution #26-11-001

RESOLUTION APPROVING MONITOR ROAD PROPERTY FINANCING

WHEREAS, Bay Arenac Behavioral Health Authority is a community mental health authority established in 2001 under MCL 330.1205 by Resolution 2001-133, as amended, and adopted by the Bay County Board of Commissioners and Resolution 01-06-12, as amended, and adopted by the Arenac County Board of Commissioners, and;

WHEREAS, Bay Arenac Behavioral Health Authority is permitted under 330.1205(4)(e) to acquire, own, operate, maintain, lease, or sell real or personal property for purposes of carrying out its responsibilities as a community mental health authority, and;

WHEREAS, The Bay Arenac Behavioral Health Authority Board of Directors approved motion 120-26 to execute a purchase and sale agreement for the property at 3933 Monitor Road, Bay City, MI 48706 for a price of $2, 150, 000 pending final review by administration and legal counsel at a special meeting on October 12, 2026, and;

WHEREAS, The purchase and sale agreement for the property located at 3933 Monitor Road, Bay City, MI 48706 was executed October 15, 2026 and includes a 60-day due diligence period noting the purchase is pending based on the outcome of an inspection and environmental study.

THEREFORE, BE IT *RESOLVED* THAT:

The Bay Arenac Behavioral Health Authority Board of Directors authorizes the financing for purchasing the property at 3933 Monitor Road, Bay City, MI 48706 through a mortgage in the amount of $XXX with an interest rate of XXX for 15 years obtained through XXX lending institution.

This resolution was adopted at a special meeting of the Bay Arenac Behavioral Health Authority Board of Directors held on November 4, 2026 pursuant to the Open Meetings Act, Public Act 267 of 1976, as amended, on a motion by XXX and support by XXX with the following votes:

Yeas:
Nays:
Excused:
Absent:

_____
Robert Pawlak, Board Chair

_____
Pamela Schumacher, Board Secretary

draft