

COLUMBUS COUNTY BOARD OF COMMISSIONERS
Meeting with Sheriff's Staff/Architects
March 23, 2007
11:00 A.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time, with members of the Columbus County Sheriff's Department, and the architects for the Detention Center Addition, at the Sheriff's Department, in the Evidence Building, Whiteville, North Carolina. The purpose of this meeting was for clarification of the request to borrow \$2.5 million to finish this project.

COMMISSIONERS PRESENT:

Sammie Jacobs, **Chairman**
 James E. Prevatte, **Vice Chairman**
 Amon E. McKenzie
 Bill Memory
 Lynwood Norris
 Ricky Bullard
 Ronald Gore

APPOINTEES PRESENT:

Steven W. Fowler, **County Attorney**
 June B. Hall, **Clerk to Board**
 Leo Hunt, **Interim Finance Officer**

APPOINTEE ABSENT:

Jimmy Varner, **County Manager**

SHERIFF'S DEPARTMENT STAFF:

Sheriff Christopher Batten
 Corporal Bill Ingram
 Alexander Singletary
 Lewis Hatcher
 Greg Cole

ARCHITECTS PRESENT:

Glen Ware
 Paul Bonsall

OTHERS in ATTENDANCE:

Gail Edwards
 Barry Herring

MEETING CALLED to ORDER:

At 11:00 A.M., Chairman Jacobs called the meeting to order and stated the purpose of this meeting was to obtain some clarification of the request from Administration to borrow an additional \$2.5 million to finish the addition to the Columbus County Detention Center.

PURPOSE of MEETING:

Chairman Jacobs stated the following:

1. We have been working on this jail project for fourteen (14) years;
2. When this jail project was first brought to our attention, we could have built it for approximately \$3 million;
3. Due to a wide range of factors, we did not proceed with this project;
4. At the time this project began, we were faced with having no choice to build or not build;
5. We held a meeting with the Local Government Commission on August 26, 2004, with needs totaling \$15 million;
6. The Local Government Commission stated this amount of money would require General Obligation bonds and this was probably not an option because of the jail component, in that jails do not usually get good support in a public bond referendum;
7. Two (2) other options were provided by the Local Government Commission: Certificates of Participation (COPS) and installment loan from a private lender;
8. We were informed that units of local government, like counties, can borrow up to \$10 million per calendar year and still be "bank qualified";
9. The Board's option was to borrow \$10 million from a private lender, which was less expensive to finance; **and**
10. Out of the \$10 million borrowed, \$7.2 million was for the addition to the Detention Center.

CLARIFICATION of REQUEST to BORROW ADDITIONAL \$2.5 MILLION:

Chairman Jacobs requested that Leo Hunt, Columbus County Interim Finance Officer, deliver

an explanation of why we need to borrow an additional \$2.5 million to finish the addition to the Detention Center.

Mr. Hunt stated the following:

1. One amount was submitted to the Local Government Commission for the addition to the Detention Center;
2. When the bids for this project came in, they were \$1.3 million more than the amount submitted;
3. There have been funds expended from the General Fund on this project for multiple items;
4. These funds are needed to finish this project and to reimburse the General Fund for the amounts that have been expended;
5. I suggested reimbursement because we need to get our General Fund Balance up; **and**
6. Below please find the Columbus County Detention Project Budget:

Final Bid for Construction	\$8,551,863.00
Professional Services/Architect	325,000.00
Fire Extinguishers/Fence, Etc.	57,900.00
Phone Upgrade	9,850.00
BATT Construction	70,000.00
ECS Soil Testing	<u>30,000.00</u>
TOTAL:	\$9,044,613.00

Less RBC Centura Loan	<u>-7,200,000.00</u>
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Amount Needed to Complete Project:	\$1,844,613.00
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Previous Funds Spent:

Service Road	\$ 26,000.00
Land	174,253.00
Architect Fees (First Design)	366,000.00
Storage Building	<u>90,000.00</u>
TOTAL NEEDED (to reimburse General Fund):	\$ 656,253.00

TOTAL LOAN REQUESTED:	\$2,500,866.00.
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Commissioner Prevatte stated that during the Budget Workshops last year, it was stated that \$1.3 million were needed to complete the Columbus County Detention Center Project. Gail Edwards, Executive Assistant to County Manager, stated this amount was for construction only.

Sheriff Christopher Batten stated that \$7.2 million had been allocated for this project and the low bid came in at \$9.4 million. We negotiated this price down with the architects to \$8.5 million by eliminating the items that were not absolutely required.

Chairman Jacobs stated that out of the \$10 million borrowed, 2.4 was allocated to Williams Township School.

Ms. Edwards stated that a Capital Project Ordinance for the Detention Center Addition was adopted by the Columbus County Board of Commissioners on June 20, 2005, with the following amounts appropriated:

Professional Services/Architect	\$ 325,000.00
Misc. Expenses/Soil Testing	50,000.00
Contingency	325,000.00
Construction	<u>6,500,000.00</u>
TOTAL:	\$7,200,000.00.

Commissioner Memory stated that out of the \$10 million that were borrowed, processing fees were deducted.

Mr. Hunt stated when a unit of government borrows more than \$10 million a year, they must do arbitrage.

Chairman Jacobs stated that \$7.2 million had been borrowed for the Detention Center Addition and the bids came in \$2 million over the amount that was borrowed.

Commissioner Gore stated that \$200,000.00 went to Williams Township School.

Mr. Hunt stated that out of the \$9.6 million borrowed, \$2.4 million had been allocated for the school.

Commissioner Bullard stated it was his opinion that the soil testing and the fire extinguishers should have been included in the original construction bid.

Ms. Edwards stated that the \$325,000.00 in Contingency Funds was broken down into \$200,000.00 for change orders and \$100,000.00 for cabling, and out of the Contingency Funds, \$117,000.00 have been spent

Commissioner Bullard asked Leo Hunt, Interim Finance Officer, if it was his opinion that Columbus County needed to borrow this amount of money. Mr. Hunt replied stating yes.

Commissioner Gore stated that he did not think we need to include the storage building in financing amount.

Mr. Hunt stated that a property tax increase of one (\$. 01) cent would only generate two hundred, ninety-five thousand and 00/100 (\$295,000.00) dollars. As of today, we have spent four hundred thousand and 00/100 (\$400,000.00) dollars over what is budgeted for this project.

Commissioner Memory stated we needed \$6 million to bring the General Fund Balance up to where it should be, and at the present time, we only have thirteen (13%) percent.

Chairman Jacobs requested the architects to deliver any information they would like regarding this project. The information presented is as follows:

Paul Bonsall - stated the following:

1. We have been working with Bordeaux Construction on this project;
2. They have made the building better in areas that you can't see with the eye;
3. This construction company has cut the construction costs down;
4. Bordeaux Construction is a good construction company;
5. The total cost of construction is \$8.55 million, plus;
6. The amount of change orders have been paid out of County funds;
7. The actual construction cost is one hundred eighty and 00/100 (\$180.00) dollars per square foot, which is good;
8. This company built a similar job in Brunswick, and just finished one in Sampson County;
9. This construction was done at a good time, due to the fact that in the last year construction costs have escalated;
10. Bordeaux Construction bid this building competitively;
11. Building one is very well built with room for future expansion; **and**
12. Building jails is not a popular topic with the public and is subject to non-approval on a bond referendum.

Commissioner Bullard requested that Mr. Bonsall give an explanation on the misunderstanding relative to the Fire Wall being a two (2) hour versus a four (4) hour fire wall. Mr. Bonsall stated the following:

1. At one (1) level of State review of the plans, we were told that the four (4) hour fire wall could be took out, and we did likewise;
2. There are three (3) levels of State review of plans, them being one (1) with the Department of Insurance and (2) being with the Division of Facility Services;
3. There is a State code that states there can only be one (1) electrical entrance per building; **and**
4. With the addition adjoining the old building, I knew that somewhere during the process of plan review, it would be determined that the four (4) hour fire wall would be needed, so we put the four (4) hour fire wall back in with no cost for the re-design.

Glenn Ware:

1. This project had competitive bidding;
2. Bordeaux Construction was the low bidder;
3. Items were deleted through negotiation in the amount of \$1 million; **and**
4. We made design changes at no cost to Columbus County.

Commissioner Bullard requested a breakdown of what the \$57,900.00 entailed on the Project Budget. Sheriff Batten stated this amount included fencing, fire extinguishers, mattresses and a finger printing machine to replace the dilapidated machine they presently had. The actual cost of the fencing is \$12,000.00.

Commissioner Bullard inquired as to why the fire extinguishers were not included in the cost for this project. Paul Bonsall replied stating that most facilities had a company that furnished these along with the required annual service, and these could be purchased directly at a cheaper cost than they could provide them.

Chairman Jacobs stated there needed to be an explanation of what the BATT Construction listed on the Project Budget was. Gail Edwards stated this was for Barry Herring who was a retiree from the Sheriff's Department to oversee the day-to-day operations of the construction company, and he had performed the task well, and saved Columbus County a lot of money.

Chairman Jacobs stated this project had not been over budgeted, but under funded.

TOUR of OLD DETENTION CENTER and DETENTION CENTER ADDITION:

Sheriff Batten gave a tour of the old Detention Center Facility and the new Detention Center Facility Addition, with a thorough explanation of the improvements between the two. Sheriff Batten delivered a thorough explanation of how cost efficient it would be to operate the new building versus the old building.

ADJOURNMENT:

At 1:01 P.M., after a delicious lunch was served by the Sheriff's Department staff, the meeting was adjourned.

APPROVED:

JUNE B. HALL, Clerk to Board

SAMMIE JACOBS, Chairman