

MINUTES – JUNE 8, 2011

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 10:30 a.m. on Wednesday, June 8, 2011. Members present: Nathaniel Hall, Chairman, Kenneth D. Travis, Vice-Chairman, William E. Carter, Jeremiah Jefferies, Cathy W. Lucas and Gordon G. Satterfield. Absent: Erik D. Battle. Also present: Kevin B. Howard, County Manager, and Gwen Vaughn, Finance Director and Angela Evans representing The Caswell Messenger. Paula P. Seamster, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

DETENTION CENTER'S CONSTRUCTION BID

Chairman Hall stated "The purpose of this meeting this morning is to vote on the bid openings that we received from the architect Monday night. We all, I think, should have them. We will entertain any questions to the Chair. If we have any questions about the bids, the bid openings or the bid process we will discuss that briefly and then we will move to a vote."

Commissioner Travis stated "The only thing I have to say about this is the demolition of the old jail, the thirty thousand (\$30,000.00) dollars. We have not said anything about taking the old jail down." Mr. Howard responded "You do not have to. I just wanted to give you a cost on that in case, at some point in time, you wanted to think about it you would have an amount."

Commissioner Travis stated "If we vote on what is in front of us the thirty thousand (\$30,000.00) dollars is in it." Mr. Howard responded "Right, we showed it as an allowance. Anything on here in the allowances, you can take off." Chairman Hall stated "I will try to clarify what I can recall from what Ms. Geraghty said Monday night. We got the actual bids that were submitted and then the allowances that they provided to us. The allowances are not proposed contracts to anything. It is just information for us to know later on if we want to demolish it. This is their best guess of what it would cost. If we don't want to consider it, it is not a problem."

Commissioner Travis stated "I just don't remember this Board saying anything about this." Chairman Hall responded "The Board didn't but I think that as a service from our architects it would be good to look ahead at any information that we might need they tried to provide it. That is the way I took it as providing this Board with additional info." Commissioner Travis stated "I understand that if we vote the way it is wrote up right here that thirty thousand (\$30,000.00) dollars is in it." Chairman Hall responded "My understanding is we are voting on the actual bids. Now if that makes a difference to the other commissioners now is the time to say it."

Commissioner Lucas asked "Kevin can you explain, are we voting on the six million eight hundred eighty-eight thousand nine twenty-one total or the eight million four ninety-seven nine ninety-four?" Mr. Howard responded "It would probably be best to include the allowances you would want to include because that is the actual amount you would be borrowing. If that makes sense. You are not bond to how much you are going to borrow until we get the bids in on the financing, so you could take those out later if you wanted to. What it does is it tells the LGC that we applied for their approval on how much we think we are going to borrow." Commissioner

Lucas continued "So the eight forty is the amount?" Mr. Howard responded "If you want to take it out now and you know that you do not want to do the demolition that is fine to do that now."

Chairman Hall stated "I think you need to be careful on how you responded to Ms. Lucas' question. I think we can understand that we can take it out. I think she wants to know what we are voting on. I think in addition to that, Ms. Lucas and to other commissioners, the fact that this bid information will go to the LGC and that says to them not only have we considered these bids but we have considered these other possibilities as we start our process." Mr. Howard responded "Actually voting on the bids is all you have to do today. The application is up to ten million dollars and then you decide how much you are going to borrow when those bids come in on that amount, the actual amount that you are going to borrow at that time. Like I said Monday night you will need to make the motion based on the financing approval."

Commissioner Jefferies asked "Pamlico, when we went and looked at this jail. What we have in here for the kitchen equipment, Pamlico did not put that in there. We could probably save two or three hundred thousand dollars by leaving it out." Mr. Howard responded "Well they did not pay for it outright. They paid for it in the cost of the meals. I have a proposal that we got if we base it on seventy to eighty-four meals for the inmates in the jail. With the equipment the price per meal is \$4.12. Without the equipment in the cost it is \$3.62 per meal per inmate. We are paying for it in one way or the other. We need to decide if we are going to borrow the money to pay for it at one time and pay it over twenty years or pay for five years in your contract to provide the meals." Chairman Hall stated "I think another point to speak to Mr. Jefferies is again either way we are going to have to equip the kitchen. So we can do it with a separate vendor or we can do it out of our pockets. So, again as we start this process with the Local Government Commission and we are looking at how much we want to borrow and getting a feel for how much is out there. Is there a contract in there for kitchen equipment?" Mr. Howard responded "No sir." Chairman Hall stated "There has not been a bid for kitchen equipment."

Mr. Howard stated "I am pretty sure you are aware of this but anything we do not spend in the project will have to go back as a payment towards the debt service. So if we have four hundred thousand dollars left at the end we will have four thousand dollars to go towards that debt service that first year. It would have to go towards that, we cannot use that for anything else."

Commissioner Satterfield stated "The only thing that is a fixed cost on these allowances in there or anything other than just the general construction bid, the only that actually fixed is the technical cost. Is that correct Mr. Manager? The others we can pick and choose as we go through this thing." Mr. Howard responded "Yes sir that is correct." Commissioner Satterfield continued "We have not gotten any kind of bids on fixtures, furniture and equipment and stuff." Mr. Howard responded "No sir, we will do that in the process." Commissioner Satterfield stated "They have an allowance in there on what they think it is going to run." Mr. Howard responded "Yes, sir." Commissioner Satterfield continued "So if we decide, at a later date, that we in fact want to have a vendor to equip the kitchen and everything then we don't borrow the hundred and twenty-five thousand (\$125,000.00) dollars." Mr. Howard responded "Once you have approved your financing package you will borrow the hundred and twenty-five thousand (\$125,000.00) dollars but we can decide that between now and July when we have to finalize the financing." Commissioner Satterfield stated "I understand that it is in there." Mr. Howard responded "If you

do not spend it, it will go back in as part of that to pay off that bid.” Commissioner Satterfield responded “Right, it will be removed as part of the debt.” Mr. Howard responded “Yes, sir by making a payment.”

Chairman Hall stated “I think the important thing is when we get ready, since we are using the kitchen as an example, we are going to have to pay for that from somewhere. We are either going to borrow the money or we are going to take it out of our pockets and on the short order when we put together the financing agreement we will decide what we want to do. We might decide at some point, if this moves forward that we only want to borrow ninety percent and take the other ten percent out of our pocket but we will make that decision.”

Commissioner Satterfield moved, seconded by Commissioner Travis to take the allowance out of this for the demo of the existing jail. The motion carried unanimously.

Chairman Hall stated “Now we have a schedule without that demolition cost for the existing jail.”

Commissioner Satterfield moved, seconded by Commissioner Carter to accept the approved bid of eight million four hundred sixty-seven thousand nine hundred ninety-four (\$8,467,994.00) dollars.

Commissioner Lucas stated “Chairman Hall just for clarification purposes with the economy like it is I just feel like employee raises and getting some pay scales better in line with other counties is more of a priority, not to say this is not important and I feel like it may be beneficial and hopefully it will pay for itself, but I just would like to say that I hope I am proven wrong as we move forward.”

Upon a vote of the motion, the motion carried by a vote of five to one with Commissioner Lucas voting no.

ADJOURNMENT

At 10:50 p.m. Commissioner Travis moved, seconded by Commissioner Jefferies to adjourn the meeting. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
