

FACILITIES COMMITTEE MEETING
CONTINUATION OF DECEMBER 21, 1994 SPECIAL CALLED MEETING
DECEMBER 27, 1994, 2:00PM

MEMBERS PRESENT: Tom Bacote, Chairman
Commissioner Billy R. King
Commissioner John Keefe

OTHERS PRESENT: Rollin Shaw, Commissioner
Cliff Strassenburg, Co. Mgr.
Sheriff Earl R. Butler
Major Charles Smith, Sheriff's Department
Captain Dan Ford, Sheriff's Department
Bob Stanger, County Engineer
Neil Yarborough, County Attorney
Brenda Foreman, Sr. Staff Attorney
Rhonda R. Davis, Deputy Clerk
Martin Robinson - Alex Brown Associates
Press

Chairman Tom Bacote called the meeting to order.

Commissioner Keefe raised concerns in connection with the proposal by Corrections Partners, Inc. regarding per diem, maintenance of equipment, vehicles, liability, etc.

Chairman Bacote expressed Corrections Partners, Inc.'s concern over the development of a Correction Facility Authority.

Cliff Strassenburg stated the county would need to develop this Authority in order to use tax exempt funds from the state.

Sheriff Butler advised he had spoken with Judge Brewer this date concerning the privatization of the County Jail. The Sheriff stated his relationship with the Judges was a good one and they have a concern for helping keep the jail population down. This cooperation may not be as good if the judges are dealing with a private corporation.

Captain Ford advised there are instances wherein they would allow an inmate to make a phone call or give some other minor assistance to enable this person to get out of jail. A private company will be operating the jail in order to make money and will want to keep these people in jail and may not be as willing to give them assistance in certain situations.

Sheriff Butler stated he must take full responsibility for the jail. He does not want to lose that authority. A jail that is county owned and operated will enable them to keep control.

Mr. Strassenburg stated the County or a County Corporation would own the jail under NC law. At some point, the Commissioners could decide not to fund the project and the building would be foreclosed on. That would put the County in a very serious situation in regards to the financing of future projects.

Mr. Strassenburg then introduced Mr. Martin Robinson to the group. He advised Mr. Robinson is with Alex Brown Associates.

Mr. Robinson gave some general information on other privatized jails in other states. He stated that several counties in rural Texas have used this concept. It has been, for the most part, a fiasco and a lot of the projects have gone belly-up. In order for a project of this type to be successful, the County would need to have the State guarantee a certain number of prisoners to be housed here and the County would have to show this to investors. The County needs to be cognizant of a contract for prisoners.

Commissioner Keefe questioned if a prisoner from another state or area were housed here and that entity paid more than the standard per diem rate, who would get the additional funds?

Mr. Robinson stated items such as this would have to be considered when the contract was negotiated with the company.

Neil Yarborough, County Attorney stated he has worked closely with the Hoke County Jail project. It will always be a county responsibility to house prisoners. He believes the County can get money cheaper than a private company can. Taxes would have to be paid by the company on the building because it would not be county owned. The County can also get insurance cheaper than a private company can. There will always be an ultimate liability to the Sheriff for prisoners housed in the County Jail. There is a big market for jail space. Currently, Hoke County is looking to sell beds to Fort Bragg and Cumberland County. If we don't own and control the jail, we cannot be a player in the market for jail space. As other counties get their facilities on line, they will have excess beds to sell, but there will be a time when they will need to purchase beds from other counties. We don't have to consider corporate profit. This project will be a cumbersome legal process. A jail is a basic governmental function.

Chairman Bacote asked Mr. Yarborough if they can assume his advice is that he does not recommend doing this.

Mr. Yarborough stated he does not recommend this project on a legal perspective. Nothing good happens for the County legally by doing this. He is not saying it cannot be done, but there are no legal pluses to do it. Liability is statutory, but they can insure the liability away.

Sheriff Butler stated he agrees with Mr. Yarborough and feels very strongly about giving up this authority.

Chairman Bacote stated he has problems with this privatization as well.

Mr. Yarborough stated if this company wants to build a jail in Cumberland County and rent beds to us, that would be good, but that is not what they have proposed.

Sheriff Butler also stated he feels he can better deal with the State Department of Corrections in getting prisoners housed here than this company could. He has built a good relationship with these people over the years.

Commissioner King stated the crucial question is if the County wants to get into this type of venture. It sounded very good when the proposal was presented at the last meeting, but he is hearing different sides of the story today. A ten to fifteen percent savings in the costs and the fact that the jail would come on line faster sounds very good. They need to reach a consensus about what to do.

Commissioner Keefe pointed out that the biggest facility Corrections Partners, Inc. has managed is a 768 bed minimum security facility.

Captain Ford stated they company is talking about building a prison, not a jail.

Commissioner Rollin Shaw asked if the cost for a prison would be more than the cost for a jail.

Captain Ford stated the cost would not be more for a prison than it would be for a jail because they must have a facility to handle any hardened criminal they are asked to house. Under this company's proposal, the County would house the hardened criminals at the jail and the new facility would be a minimum security facility.

Commissioner Shaw asked if the jail must be a maximum security facility.

Sheriff Butler stated the jail must be a predominantly maximum security facility.

Captain Ford stated CPI is not addressing the County's needs. They are not proposing a jail. He also stated the county cannot work people who have not been sentenced. Under this proposal, they would not house many people who have been sentenced in the jail.

Sheriff Butler advised the state was going to build a medium custody prison here a few years ago and the citizens did not want it.

Commissioner Bacote agreed that a new jail must be sold to the citizens.

Sheriff Butler stated he feels we can better sell a jail to the citizens if it is going to house Cumberland County prisoners to protect Cumberland County citizens. He feels a facility such as this could be sold better than having an outside company build a jail where we are bringing in prisoners from other states. The County can get money from other sources. He does not feel a private company can operate a jail as well as the County can. There is the possibility of getting up to \$5 million from the state with no strings attached. The County could guarantee beds to the US Marshals and rent beds to other entities.

Commissioner King stated they heard a very good presentation at the last meeting. He feels from the comments heard today that the Sheriff and Captain Ford are not happy with the idea. The decision must be made based on what is best for the community and what will work. They must ask whether or not this is an idea to work with and if it is something that might work. He feels this must be part of the conversation. If this project is more effective and efficient, it must be considered.

Sheriff Butler stated CPI hasn't proven it will be more effective and efficient. He is concerned about spending taxpayer's money too. He feels the citizens would rather have their own jail than one where people will be shipped in and out.

Commissioner Bacote stated we do not want to be in the business of wholesale warehousing human beings.

Sheriff Butler stated the county needs a place to hold people until they are tried. The people tried and sentenced under the two year sentencing plan will have to be held here in the County Jail due to the new structured sentencing. He would rather know that the County will own the facility in twenty years and will be able to make money from other areas.

Mr. Strassenburg stated with the privatization plan, the County may end up housing people other facilities and states don't want to house.

Chairman Bacote stated more and more responsibility is going to be shifted back to local government. They need to look at this jail

seriously. He is not saying to discard the whole privatization issue, but they also do not want to act hastily.

Mr. Yarborough stated he does not recommend that the board sign the agreement presented by CPI. He can structure something that is not legally binding. The County needs to maintain authority in this project. The County is going to pay for this facility one way or the other. The question becomes whether or not we will own it once it is paid for. He would not give his stamp of legal sufficiency on the contract presented by CPI.

Commissioner King stated they know the private sector can do some things more efficiently than the County can.

Commissioner Keefe stated he does not feel CPI has the know how to build a jail for Cumberland County. He is not convinced of their qualifications.

MOTION: Commissioner Keefe offered a motion not to enter into a venture with Corrections Partners, Inc. and proceed with the selection of architects on January 12.

DISCUSSION: Mr. Strassenburg stated he has not yet placed this item on the January 3, 1995 agenda.

Commissioner Shaw asked if Commissioner Keefe's motion indicates he does not want to examine the private route in any way. Is he recommending the end of the privatization discussion?

Commissioner Keefe stated he feels they must proceed with the building of a jail. They have information from architects and can proceed in the building process.

Commissioner Shaw asked if there are other firms that build and manage jails they could speak with. The answer was yes.

AMENDED

MOTION: Commissioner Keefe amended his motion to reject the offer from Corrections Partners, Inc. and continue with the schedule to interview architects on January 12, 1995 and to solicit and explore other agencies for privatization of the operation of the jail.

SECOND: Commissioner King

DISCUSSION: Commissioner King asked which way they are going to go.

Commissioner Keefe stated they should proceed with the selection of an architect and discuss the privatization of the operation of the jail.

Chairman Bacote stated they know they must have a jail and they should proceed to build and then consider privatized operation.

Mr. Strassenburg noted the cost of construction is nothing compared to housing prisoners. Reducing manpower is the key to saving money. They need to house the maximum number of prisoners

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with the minimum number of staff. They can save money by building economically and designing the building so that they can be run with the least number of people as possible.

VOTE: UNANIMOUS

Mr. Strassenburg asked the committee if they wish for him to place anything on the January 3, 1995 agenda concerning this matter.

It was the consensus of the committee not to place anything on the January 3, 1995 agenda concerning the jail.

Meeting adjourned at 3:15 PM.

FACILITIES COMMITTEE MEETING
SPECIAL CALLED MEETING
DECEMBER 21, 1994, 1:30pm

MEMBERS PRESENT: Tom Bacote, Chairman
Commissioner Billy R. King
Commissioner John Keefe

OTHERS PRESENT: Cliff Strassenburg, Co. Mgr.
Cliff Spiller, Asst. Co. Mgr.
Captain Dan Ford, Sheriff's Dept
Bob Stanger, County Engineer
Brenda Foreman, Sr. Staff Attorney
Marsha Fogle, Clerk
Tom Dawyer - Odell Associates
John Hurst, Morganti Construction
David Gray - Robinson-Humphrey Co.
John Oliver - Corrections Partners
Charles Kirkman - Attorney
Roy Johnson - Odell Associates
Cindie Unger - Corrections Partners
Bob Buchanan, President, Corrections Partners

The meeting was called to receive a presentation on privatization of the county jail.

Members of the aboved named companies presented information relative to privatization. Mr. Tom Buchanan, President of Corrections Partners, did the overview of their proposal. (Detailed presentation attached)

They proposed the construction of a 1,024 medium custody correctional facility for adult male and female inmates under the jurisdiction of Cumberland County and the NC Department of Corrections. The County would have to set up an authority (Correction Facility Authority) who would contract with the state and county to provide prison space. They would also contract with Corrections Partners to provide management of the facility. The funding would be via contract with the State of North Carolina per Senate Bill 150, Part 9, which enables the Department of Corrections to contract with county or city facilities in the state when to do so would most economically and effectively promote the purposes of DOC. The owner of the facility would actually be the Cumberland County Correctional Facility Authority. The cost of the county to acquire space is estimated to be 10 to 15% less in this situation than it would be for the county to develop and operate its own facility. The State would contract with the authority for two years at a time.

In response to a question concerning liability within the correctional facility, Mr. Buchanan noted they would purchase

general liability insurance. He also said there have been no cases litigated that have gone against the facility since 1990.

Health Care - He said the management firm would provide in-house health care. Outside health care would have to be paid either by the state or county government.

CONCERNS:

1. Would the Authority be subject to North Carolina's bidding law? RESPONSE: To be determined.
2. What happens if the State pulls out after two years and no longer needs the Space? RESPONSE: The Authority could contract with other states to provide space for inmates.
3. Can Pre-Trial Inmates (make 90% of our current jail population) be housed in this type facility? Mr. Bill Buchanan indicated there "appears" to exist the capability for that to happen. He noted Durham County is contracting for space for inmates.

SYNOPSIS - Corrections Partners, Inc. indicate they can provide a facility here that will be cheaper to build and operate than the county can provide. They can also construct the facility in less time, i.e., 26 months vs. about 60 months it would take the county to construct said facility. Their recommendation is to build a facility in which 50% of the beds would be used for state prisoners. The per diem rate, to include full debt service on the facility would be negotiated between the County and DOC on an annual basis, with a requirement that the rate will be no more than 95% of the cost of operating a comparable prison by the DOC during a comparable period of time.

Corrections Partners, Inc. will have to submit to the Department of Corrections in the next three weeks an indication of whether Cumberland County wishes to participate in this program.

The Facilities Committee will meet again on December 27, 1994, 2:00PM to determine their recommendation to the Board of Commissioners at the meeting on January 3, 1995.

MEETING RECESSED UNTIL DECEMBER 27, 1994, 2:00PM TO DELIBERATE AND CONSIDER RECOMMENDATIONS TO THE BOARD OF COMMISSIONERS CONCERNING THIS PROPOSAL.

FACILITIES COMMITTEE SUB COMMITTEE MEETING
DECEMBER 21, 1994
8:00AM

MEMBERS PRESENT: John Keefe, Chairman
Sheriff Earl Butler
Captain Dan Ford
Cliff Spiller, Asst. County Manager
Bob Stanger, County Engineer
Others Present: Juanita Pilgrim, Asst. County Manager
Marsha Fogle

The Committee Members each selected three firms for interviews for the County Dentention Facilities. The Committee then reviewed those firms and selected the following firms to appear before the Committee to make oral presentations: The Committee based their selections on jail experience, availability, and completeness of Requests for Proposals.

The committee will interview the following firms on January 12, 1994 at the designated times: (Times of interviews were determined by drawing names)

1. Shuller/Ferris Associates - 9:00AM
2. J.N. Pease Associates - 10:15AM
3. Grier-Fripp Architects - 11:30PM

The interviews will be held in Room 119, Cumberland County Courthouse, 117 Dick Street, Fayetteville, NC.

Following the interviews the Committee will determine who their recommendation to the Board of Commissioners will be. Lunch will be provided to Committee members during their deliberations.

MEETING ADJOURNED.