

CUMBERLAND COUNTY FACILITIES COMMITTEE
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
OCTOBER 6, 2011 – 8:30 AM
MINUTES

MEMBERS PRESENT: Commissioner Jimmy Keefe, Chair
Commissioner Marshall Faircloth
Commissioner Jeannette Council

OTHER COMMISSIONERS

PRESENT: Commissioner Kenneth Edge

OTHERS PRESENT:

James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Howard Abner, Assistant Finance Director
Sally Shutt, Communications and Strategic Initiatives
Manager
Rick Moorefield, County Attorney
Robert N. Stanger, County Engineer
Al Brunson, Facilities Maintenance Manager
Doug Zawaskie, Moseley Architects
Kellie Beam, Deputy Clerk to the Board
Press

Commissioner Keefe called the meeting to order.

1. APPROVAL OF MINUTES – SEPTEMBER 1, 2011 REGULAR MEETING

MOTION: Commissioner Faircloth moved to approve the minutes.
SECOND: Commissioner Council
VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF ALTERNATIVES FOR A COUNTY ADMINISTRATION
BUILDING

Bob Stanger, County Engineer, referenced the memorandum as provided to the Facilities Committee. Mr. Stanger stated at the April 7, 2011 Facilities Committee meeting, an update on the county's spacing needs was presented. Mr. Stanger further stated management and staff concluded there were essentially three options to consider in order to meet space needs:

1. Purchase and renovate existing building(s) for sale in the downtown area.

2. Renovate existing county owned building(s) that have sufficient vacant floor space.
3. Build a new facility.

Mr. Stanger stated as indicated in the 2008 Feasibility Study, the only county owned facility of sufficient size is the former Public Health building; this building remains the likely candidate for renovation and re-use for county administrative offices. Mr. Stanger further stated the Board of Commissioners has expressed an interest in marketing the former Public Health building for sale and should this occur, the only remaining option is to build a new facility.

Mr. Stanger stated one potential scenario is to acquire the remaining three tracts in the block bound by Russell Street, Dick Street, Ottis Jones Parkway and Gillespie Street and build a new county administration building on this site. Mr. Stanger further stated the total budget for a project of this magnitude would likely be \$22 to \$25 million and is clearly more expensive than renovating the former Public Health building with an estimated project budget of \$13 million.

Mr. Stanger stated the Facilities Committee instructed management and staff to develop a financial plan for renovation of the former Public Health building and construction of a new county administration building. Mr. Stanger pointed out the comparative advantages and disadvantages of the two options:

1. Renovation of the former Public Health building is the more cost effective solution in terms of total project cost per square foot of floor space.
2. Renovation of the former Public Health building does not require any land acquisition which eliminates the time and costs associated with this effort and does not remove private property from the county tax base.
3. Renovation of the former Public Health building can be accomplished in a shorter timeframe.
4. Construction of a new county administration building will result in a more functional facility since it will be designed to fully accommodate the building program (functional space and relationships) as opposed to renovation which requires making the program fit within an existing floor plan.
5. Construction of a new county administration building on the proposed site is preferable because of its location which is in close proximity to the courthouse, law enforcement center and historic courthouse.

Mr. Stanger stated the recommendation of management and staff is to consider providing staff with direction as deemed appropriate.

Amy Cannon, Deputy County Manager, then referenced her memorandum as provided to the Facilities Committee. Ms. Cannon discussed details of the funding plan for the Detention Center Expansion Project. Ms. Cannon stated the following considerations must be examined in the decision to renovate the former Public Health building or with buying land and constructing a new building:

1. At this time, there are no existing reserves that management could recommend for this project and therefore, the county would have to borrow the funds for construction or renovation. Annual debt service would range from \$1.2 million to \$2.5 million depending on the option selected.
2. Additionally, once the county relocated to a new county administration building, there would be renovations necessary to make the space usable for the court system. These funds would have to be borrowed and this amount would further increase the estimated annual debt service payment in item #1.
3. Beyond the debt service considerations, the county would have the additional operating costs of a new or renovated facility which is not currently budgeted.
4. The operational costs have not been identified related to the Detention Center Expansion Project and the full impact on future budgets is not known.

Ms. Cannon stated in summary, the completion of the Detention Center Expansion Project coupled with either renovating or constructing a new county administration building will require the identification of significant recurring revenue sources for debt service and operating costs. Ms. Cannon stated with the economy still in turmoil, she believes it will be very difficult to identify sufficient recurring revenue based on our current property tax rate.

Ms. Cannon stated management recommends that construction or renovation of a county administration building be included in the long term CIP plan and be evaluated annually, considering the local and national economy, federal and state mandates that affect the county's budget, and the county's local revenue collections. Questions and discussion followed.

Ms. Cannon brought up the topic of a county pharmacy and discussion followed regarding the opportunity to do an in-house employee pharmacy and in-house employee primary care clinic in the former Public Health building.

MOTION: Commissioner Council moved that construction and renovation of a County Administration building be included in the long term CIP plan and be evaluated annually considering the local and national economy, federal and state mandates that affect the county's budget, and the county's local revenue collections.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

3. **PRESENTATION OF DESIGN DEVELOPMENT PLANS – COUNTY
DETENTION CENTER EXPANSION PROJECT**

Mr. Stanger stated the architects have completed the design development plans for the County Detention Center Expansion and will present the floor plans to the Facilities Committee for its review and consideration. Mr. Stanger further stated additional refinements to the floor plans have been made to reduce square footage and enhance the functionality of the design. Mr. Stanger stated the next phase is to prepare the construction documents which include the construction plans and specifications which will be used by the Construction Manager at Risk to subdivide the work into trade packages and solicit bids from pre-qualified subcontractors.

Mr. Stanger stated the recommendation of the Project Committee and management is to approve the design development plans for the County Detention Center Expansion and forward it to the Board of Commissioners for their consideration at the October 17, 2011 meeting.

Mr. Stanger introduced Doug Zawaskie with Moseley Architects who provided a brief overview of the construction project. Questions and discussion followed.

MOTION: Commissioner Council moved to endorse staff's recommendation and forward to the full Board.
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS (3-0)

4. CONSIDERATION OF CONSTRUCTION MANAGER AT RISK AGREEMENT FOR DETENTION CENTER EXPANSION PROJECT

Mr. Stanger stated at the Board of Commissioners meeting on September 6, 2011, the board approved Metcon/Balfour Beatty, a joint venture, as the Construction Manager at Risk (CMaR) for the County Detention Center Expansion Project and authorized staff to begin contract negotiations. Mr. Stanger stated he has taken the lead in the negotiations with assistance from management and the county attorney. Mr. Stanger further stated the draft agreement is currently under review by the county attorney for legal sufficiency.

Mr. Stanger stated negotiation of fees for CMaR services is a two phase approach as follows:

1. Pre-Construction Phase: includes all services provided by the CMaR during the facility design through development of the Guaranteed Maximum Price (GMP) and the scope of work is provided in detail in the draft agreement. A stipulated sum of \$87,120 was negotiated for this phase. In addition, the Construction Manager (CM) fee is proposed at 3.40% of the direct general conditions plus the subcontractor cost of work and the CM contingency is proposed at 2% of the subcontractor cost of work. All unspent CM contingency funds will be returned to the owner. The GMP cannot be developed until subcontractor bids have been received, reviewed and accepted by the owner. The GMP includes the CM general conditions (direct cost of managing the construction project),

subcontractor cost of work, CM contingency, CM fee and the cost of bonds and insurance.

2. Construction Phase: begins upon acceptance of the GMP and issuance of a Notice to Proceed by the county. This phase includes managing the construction project through completion and acceptance of the work and during the warranty period. An amendment to the CMaR agreement will be required to include the negotiated and approved GMP.

Mr. Stanger stated his recommendation and the recommendation of management is to approve the draft construction manager at risk agreement with Metcon/Balfour Beatty subject to review by the county attorney for legal sufficiency and forward to the Board of Commissioners for their consideration at the October 17, 2011 meeting. Questions and discussion followed.

MOTION: Commissioner Faircloth moved to follow staff's recommendation and forward to the full Board.

SECOND: Commissioner Council

VOTE: UNANIMOUS (3-0)

5. OTHER MATTERS OF BUSINESS

There were no other matters of business.

MEETING ADJOURNED AT 9:28 AM.