

October 20, 2014

A special meeting of the Bladen County Board of Commissioners was held on Monday, October 20, 2014 at 5:00pm regarding a potential Jail Project and other related topics.

Members present:

Chairman James G. Smith
Mark Gillespie, Vice Chairman
Charles Ray Peterson
Dr. Delilah Blanks
Daniel Dowless
Billy Ray Pait
Wayne Edge
Russell Priest
G. Michael Cogdell

Chairman Smith called the meeting to order and provided an invocation. County Manager Greg Martin led the Pledge of Allegiance.

ITEM 1. County Manager Greg Martin

Mr. Martin provided a presentation regarding a prospective Jail project which included:

- Review steps in the process
 - Board agrees to proceed with project
 - Architect designs facility (approximately 12 months)
 - Determine construction method
 - Design, Bid, Build
 - Construction Manager at Risk
 - Determine location of jail facility
- Review potential financing options
 - USDA Rural Development
 - Installment financing
- Review estimated debt service projections
- Review action steps

Mr. Martin reviewed financing options estimates, with terms of 20, 30 and 40 years. With needed projections of \$17,000,000 to construct a jail facility, annual payments may vary from \$1,250,900 for a 20 year term to \$858,900 for a 40-year term. Estimates of payout over the term of a loan for a jail project, assuming \$17,000,000 at 4% interest, would range from \$25,017,800 for a 20 year term, \$29,493,360 for a 30 year term or \$34,355,960 for a 40 year term.

Mr. Martin also reviewed current debt service obligations and projections for its retirement over the next seven (7) years. School bonds are scheduled to be satisfied by FY 2021. The VIPER and Northwood debt service payments are to be retired in FY 2018 and FY 2016, respectively.

It is estimated that interim financing of a potential jail project may require interest payments during FY 2016 and FY 2017, depending on the timing of a project launch.

Mr. Martin also discussed the issue of increased operating costs associated with a new jail facility, including additional jail personnel, utilities, inmate medical and food. Due to overcrowding at the current jail facility, the cost of housing inmates in other counties has increased dramatically during the last fiscal year. This expense would potentially be reduced with a new facility. In 2010, the County paid out \$50,730 in Inmate Rental; \$31,765 in 2011; \$43,333 in 2012, \$50,750 in 2013 and \$222,580 in 2014. A total of \$215,000 has been budgeted for FY 2015. This budget line item could be used to assist in offsetting some of the estimated operating costs increases.

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Chairman Smith asked Board members their stance on proceeding with a construction project. The Board members confirmed the necessity to proceed with a jail facility and expressed support for moving forward.

Following discussion of immediate action items to be considered such as approving an agreement with Moseley Architects in the amount of \$1,338,700; authorizing a geo technical survey for Smith Circle property, considering approval of budget amendments for architectural service and geo technical services and consider proceeding with funding application to USDA Rural Development, Commissioner Peterson made a motion to accept and proceed with the action steps associated with a jail project. The motion was seconded by Commissioner Priest. The motion was approved unanimously.

Upon motion by Commissioner Peterson, seconded by Commissioner Priest, the Board agreed to adjourn the meeting at 5:28pm.

ATTEST:

Maria C. Edwards, Clerk

James G. Smith, Chairman