

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN
RECONVENED ITS REGULAR SESSION OF MONDAY, AUGUST 20, 2007 ON
FRIDAY, AUGUST 24, 2007 AT 10:00 A.M. IN THE COMMISSIONERS' ROOM
OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN
STREET, NEW BERN, NORTH CAROLINA.**

MEMBERS PRESENT:

Chairman Johnnie Sampson, Jr.
Vice Chairman Jason R. Jones
Commissioner Lee Kyle Allen
Commissioner Theron McCabe
Commissioner Perry L. Morris
Commissioner M. Renée Sisk
Commissioner Steve Tyson

STAFF PRESENT:

Harold Blizzard, County Manager
Ray H. Moser, Assistant County Manager
Richard F. Hemphill, County Finance Officer
James R. Sugg, County Attorney
Gwendolyn M. Bryan, Clerk to the Board

The invocation was given by Commissioner Jones, followed by the Pledge of Allegiance.

REQUEST FOR CORRECTION TO THE FEBRUARY 19, 2007 MINUTES

The Board received a request from the Clerk to the Board to approve correction of the February 19, 2007 minutes by insertion of the following budget amendment which had been approved but was omitted from the approved minutes. Commissioner Allen moved to approve the correction to the February 19, 2007 minutes, as requested, seconded by Commissioner Sisk and unanimously carried.

Sheriff

114-2011-349-18-00	\$2,000.00	114-2011-410-23-00	\$2,000.00
State Rev/Substance Abuse Tax		Public Safety/Utilities	
TOTAL	\$2,000.00	TOTAL	\$2,000.00

Justification: Cover shortages in utilities at the office in the old airport where drug unit is located.

CONSIDERATION OF NEW REVENUE OPTIONS

County Manager, Harold Blizzard, advised the Board that plans for placing either of the new revenue options recently approved by the North Carolina General Assembly on the November ballot would need to be communicated to the Board of Elections by September 1. Commissioner Tyson inquired about the net effect of the new Medicaid provisions on Craven County, without levying additional sales tax or instituting a land transfer tax. County Finance Officer, Rick Hemphill, stated that the net benefit to Craven County is projected to be \$1 million in the first year, \$1.5 million in the second and third years and \$800,000 for the fourth year. During discussion, the Board reached consensus that it does not appear that the County needs additional revenue streams at this time. Commissioner Morris admonished the Board that this tax was not approved by the General Assembly for the purpose of decreasing ad valorem taxes and should never be considered, even in the future, for that purpose. Commissioner Sisk moved that Craven County take no action on the new revenue options at this time, seconded by Commissioner Allen and unanimously carried.

UPDATE ON THE STATUS OF THE JUDICIAL CENTER CONTRACT

Mr. Blizzard reviewed the June 21 bid opening for the Craven County Judicial Center, stating that the low bid of \$26,848,000 by DeVere Construction exceeded the previous estimates by \$4 million. He reported that over the last sixty (60) days staff had negotiated to lower the cost and that the contractor had agreed to extend the price deadline in writing from August 20 until August 27. He stated that the savings negotiated to date amount to \$1,477,605. There were some additional items still pending from the contractor that are anticipated to further reduce the cost of the project, specifically involving the sally port design. He stated that if the Board approves the contract at this point, the additional savings could be incorporated via change orders. The total contract cost with the savings that have been negotiated to date is projected at just over \$25,371,000. Mr. Blizzard recommended that the Board should proceed to award the contract in an amount not to exceed \$25.5 million. He stated that the alternative would be: 1) to reject the bid; however, the second lowest bid was \$900,000 above the low bidder and the third lowest bid was \$1.7 million higher than the low bidder, and he expressed doubt that it would be possible to negotiate either of these contractors down to a price within the original projection. 2) to reject all bids and start the bidding process over; however, this option would result in additional costs and a loss of time, with the likelihood that new bids may come in higher. Commissioner Tyson inquired about the contractor's accessibility with warranty issues, given the fact that the company is based in Michigan. Mr. Blizzard responded that the company has an office in Apex. Commissioner Allen stated that national contractors will generally subcontract with local contractors for warranty issues. Commissioner Tyson inquired about what resulted in a \$4 million overage. Mr. Blizzard stated that the two major factors were local subcontractors who did not have much competition and the fact that the original design did not include the desired four pipe mechanical system, which is more costly at first, but more cost efficient and durable long term. Commissioner Tyson inquired if the County's borrowing would cover the new projected costs of the project. Mr. Hemphill stated that \$30 million of the borrowing was for this project and that the reserve appropriations would be adequate to cover the debt service. Commissioner Jones inquired if there would be significant benefit in reducing the cost if the courthouse at the new complex were to remain a shell and not furnished. Mr. Blizzard responded with a reminder that the plan does not include a courthouse but just one courtroom and magistrate's office. He stated that this part of the facility is central to the design and to leave it unfinished would involve considerable redesign and cost. Commissioner Sisk moved to award the contract to DeVere, not to exceed \$25.5 million, seconded by Commissioner Allen. The motion carried with five (5) "Ayes", there being two (2) "Nays" from Commissioners Jones and McCabe. Commissioner Jones explained that his "Nay" vote was because of the location of the project and his commitment to his constituents.

At 10:30 a.m. Commissioner Allen moved to adjourn, seconded by Commissioner Sisk and unanimously carried.

Chairman Johnnie Sampson, Jr.
Craven County Board of Commissioners

Gwendolyn M. Bryan, Clerk to the Board