

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
JUNE 18, 2007

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Central Carolina Community College Multipurpose Room, 764 West Street, located in Pittsboro, North Carolina, at 2:00 PM on June 18, 2007.

Present: Chairman Carl Thompson; Vice Chair, George Lucier; Commissioners Patrick Barnes, Mike Cross, and Tom Vanderbeck; County Manager, Charlie Horne; County Attorney, Kevin Whiteheart; Assistant County Manager, Renee Paschal; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 2:06 PM.

Work Session

- Discussion of meeting with Cary Town Council on September 18, 2007
- Discussion of applying for CDBG Urgent Need Grant for \$75,000
- Discussion/approval of construction process for library and classroom project
- Discussion/approval of consultant to develop alternative wastewater disposal system for library
- Siler City CCCC Architect Presentation
- Capital Improvements Plan (CIP) Discussion
- Green Building Task Force Presentation
- Closed Session: Attorney/Client Privilege

CARY TOWN COUNCIL JOINT MEETING

Chairman Thompson stated that the Board needed to confirm the time and place of the joint meeting with the Cary Town Council on September 18, 2007. County Manager Charlie Horne noted that was correct.

Commissioner Vanderbeck stated September 18th was ten days from Cary’s potential cutoff date where they could back out of the agreement.

Commissioner Barnes stated that would be discussed during a session scheduled for that evening, and asked that judgment be withheld until then.

By consensus, the Board decided to hold a joint meeting with the Cary Town Council on Tuesday, September 18, 2007 to be held in the Chatham County Superior Courtroom at 7:00 PM.

CDBG APPLICATION FOR URGENT NEED GRANT

Planning Director, Keith Megginson, explained that the County received funding of \$400,000 every three years. He stated that a portion of that money could be used for urgent needs, but this was a different pot of funding of up to \$75,000, with the maximum amount used for any one dwelling at \$5,000. Mr. Megginson stated that an entire dwelling did not have to be brought up so standard, but a roof could be repaired or some other repair done up to a cost of \$5,000. He indicated that he needed the Board’s approval to proceed with applying for the funding.

Commissioner Barnes stated this was free money with no County funding involved. Mr. Megginson said it would require some County resources, but not money. He added that Hobbs, Upchurch & Associates would prepare the grant application at no cost to the County.

Commissioner Lucier confirmed that the funding would be in addition to the \$400,000 grant.

Commissioner Barnes moved, seconded by Commissioner Lucier, to apply for the Community Development Block Grant (CDBG) "Urgent Need Grant" in the amount of \$75,000 and to ask Hobbs, Upchurch & Associates to prepare the grant application. The motion carried five (5) to zero (0).

SILER CITY COMMUNITY COLLEGE ARCHITECT PRESENTATION

Taylor Hobbs, with Hobbs Architects, gave a brief presentation regarding the Central Carolina Community College facility in Siler City, and updated the Board on the plans for that facility. He provided site plans and drawings, and discussed the Master Plan. Mr. Hobbs said the original budget was formulated in 2005 at \$3.665 million, and as of today they were proposing a comprehensive budget of \$5,558,750, an increase from the original budget of approximately \$1.9 million.

Mr. Hobbs stated that the new budget included an inflation factor of 8%, and noted that budget would allow them to achieve a LEEDs rating of Silver which was congruent with the recommendations of the Green Building Task Force.

Commissioner Cross stated that the facility was actually called the Chatham County Business Campus, and he would like it to be referred to by that name.

Commissioner Lucier asked Finance Officer Vicki McConnell what the last estimate was when the Capital Improvements Plan was done for the Siler City campus. Ms. McConnell responded \$5.3 million. Commissioner Lucier said then the latest project was \$250,000 more than the projection made two weeks ago. Ms. McConnell said that was correct.

Renee Paschal, Assistant County Manager, noted that was accounting money and did not include all costs. She said there was also State bond funds associated with the project of about \$600,000, so they were actually a little below that last projection.

Commissioner Lucier stated then they were talking about \$4.9 million in County funding, with a \$600,000 grant.

Commissioner Barnes stated that \$5.3 million was actually accounting money. Ms. Paschal said that was correct, noting it was borrowed money.

Commissioner Lucier asked how much larger was this facility than the current Siler City facility. Mr. Hobbs responded it was about 23,000 square feet, but did not know the exact square footage of the current building.

Mr. Hobbs exhibited slides that better explained the concept of the Master Plan and how the project was organized, adding the Siler City facility would be primarily for vocational training including technology, lab work, and testing. He noted they had about twenty buildable acres in three different areas, and did not yet know exactly how many buildings would be constructed on the site.

Commissioner Lucier asked what type of stream buffers were they using for the perennial streams on the site. Mr. Hobbs responded 100 foot buffers. Commissioner Lucier asked if the site was close to the Rocky River. Mr. Hobbs stated that it was, adding that the streams on site flowed into the Rocky River.

Commissioner Barnes asked if the training in technology would include biotechnology, noting that type of space was expensive. Mr. Hobbs said he did not understand the program to include biotechnology. He said the technology building would contain computer labs and other support areas. Commissioner Barnes said they would like to attract biotechnology firms to the area, and it may be possible to recruit such people to participate with the Community College.

Commissioner Barnes moved, seconded by Commissioner Vanderbeck, to approve the Capital Project Ordinance for the Central Carolina Community College Building – Siler City, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

ALTERNATIVE WASTEWATER DISPOSAL SYSTEM FOR LIBRARY

Ms. Paschal provided a brief introduction, noting that when this issue was last discussed, Commissioner Vanderbeck had requested that an alternative wastewater disposal system be considered for the library. She noted that Dr. Hal House, President of Integrated Water Strategies, would provide information regarding that, along with the library architect, Louis Cherry, with Cherry Huffman Architects.

Dr. House provided some information regarding his firm and its work, including past and current projects. He explained their work with Green Building architects in integrating, treatment, and reuse water systems and their efforts in conservation for water for the future. Dr. House stated that reclaimed water was in high demand for agricultural uses, and suggested that now was the time for Chatham County to begin testing the various uses for treated wastewater, beginning perhaps with the Community College.

Commissioner Cross asked how much land was required to reclaim such water. Dr. House explained the concept of how treated wastewater was gathered and stored in a treatment plant, noting the amount of land needed to cleanse it depended on the approach used. He said to cleanse three gallons of wastewater, one would need one square foot, so if one had 1,000 gallons they would need 333 square feet. Dr. House stated once the water was cleaned, it would be transferred back into the buildings to flush toilets and/or used to irrigate outside areas.

Dr. House exhibited slides that showed the multicultural aspect of using cleansed wastewater, noting its low impact on the landscape and that water was treated at the source in an efficient manner. He indicated that the process could be used to educate students on how water was cleansed and reclaimed and used for irrigation, to flush toilets, and for other uses.

Commissioner Cross asked how odor was controlled. Dr. House explained the three ways odor was controlled: establishing plants to form a dense root mat to absorb odors from the wastewater filtered through them; the use of activated vapor-based carbon until the dense roots had formed; and, the removal of odorous organic materials.

Commissioner Cross asked how they would test for odor other than through smell; specifically if instruments to detect ammonia or other chemicals would be used. Dr. House responded primarily they would use their sense of smell, noting they did not measure the amount of Greenhouse gases escaping.

Commissioner Lucier stated that basically it was a wetland constructed underground. Dr. House stated that was correct. He added they had used that method since 1986 to successfully cleanse water.

Commissioner Lucier asked what the life of such a system was projected to be. Dr. House replied their oldest system had been installed in 1992, and treated about 5,000 to 6,000 gallons per day for a school. He said to date it had not needed any replacement parts.

Commissioner Lucier asked if such a system would last as long as a normal septic system. Dr. House responded it should last longer because you were converting the wastewater through the plant system. He stated they were requesting that the Board approve an increase in the contract with Cherry Huffman & Associates to design the concept for such a system.

Commissioner Barnes stated that his family had been involved in such a project over three generations, and he had rebuilt the project 25 years ago. He commented that there was no detectable odor with the project, and it was well-accepted by the employees.

Louis Cherry, with Cherry Huffman & Associates, stated they were in the midst of schematic design, and this was the perfect opportunity to get the Board's feedback. He said the facility would be LEEDs certified, and water quality and water conservation were a large part of that process. Mr. Cherry commented that the County was lucky to have such a local resource as Dr. House and his colleagues to assist in this project.

Mr. Cherry said the concept proposal would actually define the scope of what would be put into the project, so if it was determined that it was feasible to install this kind of system, there would be an additional premium cost to actually design and implement it.

Commissioner Lucier said he was enthusiastic about such a system.

Commissioner Vanderbeck stated he had requested that the potential use of such a system be looked at if the County wanted to project Green Building and sustainability on this campus. He said if such a system was used, then in the future the County would add extra capacity to its water supply for other economic development.

Commissioner Vanderbeck moved, seconded by Commissioner Lucier, to increase the contract with Cherry Huffman & Associates by \$7,500 to provide for the concept proposal from Dr. Hal House. The motion carried five (5) to zero (0).

Commissioner Cross said he was curious about the use of crushed brick and crushed granite. Dr. House said they were beginning to integrate glass, tire chips, crushed brick, and ground aluminum cans, and there was an opportunity to use solid waste materials here as well.

LIBRARY AND CLASSROOM CONTRACT

The County Manager stated there were a number of ways to do construction management projects and explained each. He said staff was asking for direction from the Board on which method to use.

Ms. Paschal stated that the architect, Louis Cherry, would provide information regarding advantages and disadvantages of using a Construction Manager at Risk method.

Mr. Cherry outlined three different methods:

- 1) Open Bid, the most commonly used method of delivery, with generally the low-bidder getting the job; also the most competitive among bidders and sub-contractors. Disadvantages included: that low bids were generally not the best bid, although it could be; it was common that the low bidder left something out of his bid and would have to find a way to make it up, which resulted in looking for ways to increase the bid through change orders; that the lower bidder may or may not have good relationships with its subcontractors; and, there was a tendency to use materials that did not meet design specifications.
- 2) Pre-Qualified, where contractors were pre-qualified based on a certain set of qualifications which were factored into the choice along with the price, so that price was not the sole deciding factor; it was competitive because the contractors were competing against the sub-bids as well as their overhead and profit; and, the contractor could self-perform any items.
- 3) Construction Manager at Risk, where the Board would choose a contractor, preferably prior to the end of the design development phase, to bring them onto the team as an equal partner to align the interests of the owner, the architect and the contractor as much as possible. In this scenario, you were paying the contractor for certain preconstruction services and taking the estimating partially away from the designers and getting the contractor to assist with estimating as you went through design. Advantages included: the biggest being that when the documents were completed, you had a guaranteed maximum price, and, you would have access to all the information the contractor had; where the owner was concerned with making long-term value decisions it allowed you more information to look at alternatives and to understand life-cycle costs; you could bid the project and do the construction on your own schedule; and, overall flexibility in this process allowed you to make trade-off decisions without the disincentives of being punished on the pricing. Disadvantages were: that the contractor had an incentive to not be the low bidder, and early pricing was sometimes high; and, that you could say that it was somewhat limiting in competition.

Mr. Cherry noted that the Construction Manager at Risk method was by far the best method in his opinion.

Commissioner Lucier commented that Chatham County had never used this system, that generally they used the single prime method.

Commissioner Barnes stated he could not think of anything kind to say about Construction Manager at Risk, noting that if you split up a project between many different subcontractors you lost control over them. He stated he did not believe Chatham County was ready for that method, noting that the Single Prime method had worked well for them in the past. Mr. Cherry responded he had worked with many fine contractors, and what he had described was the worst case scenario. He stated there were certainly non-responsive contractors, but they were in the minority.

Commissioner Lucier asked what problems the County had in the past using the Single Prime method, and were they preventable. Ms. Paschal said they had not had any serious problems in using the Single Prime method, but this was a large project for the County and was the first to be LEEDs certified. She said they had also looked at the advantage of making long-term value decisions by having more information to look at alternatives and to understand life-cycle costs while looking at those options.

Commissioner Barnes stated that to him, an architect was in effect responsible for the general contractor; as a contractor you could get a bid from a subcontractor and know whether or not it was an acceptable price; it was your responsibility to speak up and reject it if necessary; and, you don't want to work with an architect that you do not believe will look out for your interests.

Chairman Thompson stated it appeared that Mr. Cherry was recommending the Construction Manager at Risk method. Mr. Cherry stated that was correct, but added he was comfortable using any of the three methods. He said the Pre-Qualifying method had some good advantages, noting it allowed you to weed out undesirables in a more effective way.

Chairman Thompson asked Mr. Cherry what type of criteria he would use to pre-qualify a contractor. Mr. Cherry said references would play a large part in documenting the contractor's experience with similar projects, giving you discretionary ability to investigate them. He said whether or not they adhered to schedules would also play a large part.

The County Manager stated that State statutes required that the County accept the lowest responsive bidder, adding that a bid could be the lowest and the bidder could be responsive. He said any of the methods would work, but believed methods other than Single Prime were worth considering.

Gerald Totten, Chatham County School Board member, stated that they had hired a Construction Manager who had done a tremendous job for them, and they planned to use him for future construction. He suggested that the County might want to make use of that person's services. Mr. Totten stated his belief that using a Construction Manager at Risk may not abide by the State statutes since you were using public money.

Mr. Cherry stated that the use of a Construction Manager at Risk for public projects was allowed by State statutes. Ms. Paschal noted it was authorized by the State in 2001.

John Muter, Vice President of Barnhill Contractors Building Division, provided some insight into the three methods under discussion based on his experience. He stated that the State had passed legislation to allow the use of the Construction Manager at Risk method due to the amount of construction planned for the UNC system, estimated to be over \$3.1 billion, and because of the problems they have previously encountered when using the Single Prime and Multi-Prime methods.

Mr. Muter said the market was dramatically different today, with costs escalating in every way. He said there were fewer and fewer quality contractors bidding on hard-dollar projects, with many bidding from out-of-State. Mr. Muter noted that using a Construction Manager at Risk was an alternative that allowed for more time to plan, and it was a more effective way to control costs.

Mr. Muter stated that firms that understood the market could deliver quality projects under the Construction Manager at Risk method. He said his firm understood how to package a project in a way that caused their subcontractors to pick a Construction Manager at Risk project over a hard-dollar project.

Mr. Cherry stated that the market place was changing, and that was one of the reasons to consider these options was since they were seeing less and less quality work. He said one of their biggest problems recently was getting enough quality bidders and being able to package a project to make it attractive to the market place.

Mr. Muter provided an example of a recent high school project they had worked on in Sampson County using a Construction Manager at Risk, noting they had been able to plan that project for four months prior to beginning work on it, and had been able to stay ahead of schedule. He stated they had been able to save money on the project through that planning, such as moving the school from bad soil to good soil, making a slight adjustment to the square footage, and other changes.

Chairman Thompson noted that no decision would be made today.

BREAK

The Chairman called for a ten-minute break.

CAPITAL IMPROVEMENTS PLAN (CIP)

The County Manager stated that based on the last discussion, the goal was to keep the tax rate increase to two cents. He said changes to the CIP included the \$6 million for Northwood renovations, keeping the high school at \$38 million and setting the judicial facility at \$24 million.

Ms. McConnell stated that could be done with one cent but it was a tight budget, and would result in a negative in projected revenues over the next fifteen years.

Commissioner Cross said he had understood that the \$6 million for Northwood was from borrowing capacity remaining, and then they would use some of that on school improvements throughout the County.

Commissioner Lucier said that was his understanding as well.

Chairman Thompson said he had understood that a majority of that \$6 million would be used for Northwood, and the Board would then look at other needs. The County Manager stated that that was his understanding.

Commissioner Cross stated you could not cut out all the other schools, and that \$6 million needed to be spread around.

Commissioner Lucier stated he had understood that the \$6 million was for renovations to Northwood, since \$38 million was budgeted to build a new northeast high school. The County Manager said his notes from the last meeting indicated that \$6 million would be budgeted for Northwood, and they would then look to discover if Land Transfer Tax moneys were available for other needs.

Commissioner Lucier stated he remembered asking the schools to look at their Capital Improvements and come back to the Board with a proposal list of renovations needed for all schools in the amount of \$6 million. He asked was there another \$6 million. The County Manager replied no, it was the same money.

Chairman Thompson stated there were two schools mentioned in particular, Bonlee and Silk Hope.

Commissioner Cross stated it was his understanding that the \$6 million was to be spread around, with the majority going to Northwood. He agreed there were other schools in need.

Commissioner Barnes stated it did not seem fair to commit the entire \$6 million to Northwood, adding that Jordan Matthews could use some of it.

Commissioner Lucier stated another item that had been discussed at the last meeting was the potential purchase of the property known as Camp Maranatha Springs, and he believed that

the owners were willing to take a portion up front with the remainder to be paid over a five-year period. He stated that the one cent they were looking at was totally involved with the judicial facility and had nothing to do with the high schools.

Commissioner Cross stated that when the previous Board had passed the 4 cent tax increase, it had actually been about 1½ cents short based on the estimated cost for the judicial facility. Ms. McConnell stated she would have to look back to see what a penny on the tax rate was at that time. She said the remainder of the current tax increase was for the new school and for teachers' supplements.

Recreation Director Tracy Burnett said regarding Camp Maranatha Springs, the appraisal price was \$1,450,000; one third of the total purchase price, approximately \$466,000, would be paid at closing; and, the remaining two thirds would be paid in monthly payments over a five-year period. She said she had spoken with the owner recently who had indicated that two other parties were interested in the property; that one was the YMCA of Raleigh and the second was not disclosed. Ms. Burnett said the owner had indicated that no one had yet made a formal offer, and that the owner was very interested in selling.

The County Manager stated one advantage of paying one-third up front was that Master Planning could begin immediately along with work on the site. Ms. Burnett added that the site had good soil.

Commissioner Vanderbeck asked the County Manager if Public Works had been contacted regarding this property and its location. Mr. Horne responded not at this point. Commissioner Vanderbeck said some of that ground work needed to be done.

Chairman Thompson stated the question was that if the Board wanted to pursue this, how they would want to proceed.

Ms. McConnell stated that if the Board agreed to purchase it, they would have to figure out how to pay for it.

Chairman Thompson asked what needed to be done before the County purchased it, in terms of a study or some other task.

Commissioner Vanderbeck suggested that the Board earmark the funds today and then look at the budget and do a complete review.

Commissioner Lucier stated obviously this was a good site for a park, because it would serve both the northwest and other parts of the County. He said he had no doubt it would have enough land for a future school site.

Mr. Totten agreed it would be a great location for a future school.

Commissioner Lucier moved, seconded by Commissioner Barnes, to give staff the authority to purchase the Camp Maranatha Springs tract in the Silk Hope Community. They also asked staff to provide more information on soil conditions and to inquire of the School Board its interest as a future school site. The motion carried five (5) to zero (0).

GREEN BUILDING TASK FORCE PRESENTATION

Alicia Ravetto, Architect and member of the Green Building Task Force, gave a presentation on the history of the Task Force and provided some background on its work. She stated that the Task Force was recommending that the Board establish the following:

- 1) All new or remodeled County-owned and publicly financed buildings of 20,000 or more square feet comply with the appropriate US Green Building Silver LEED certification, the GBI-Green Globes, or similar third party certification and verification beginning immediately.
- 2) These buildings shall also be designed to comply with the EPA National Energy Star performance rating system.
- 3) Information relative to green buildings shall be posted on the County website.

Ms. Ravetto noted that additional costs were to be taken into account by the County, including: USGBC-LEED or Green Globes registration and certification fees; cost of construction above typical construction; basic building commissioning, and possible enhanced commissioning; and, life cycle cost assessment could minimize if not eliminate the additional costs. Ms. Ravetto said the Task Force also suggested ways that the County might pay for the additional costs: low interest loans from the State; creating a loan program with the savings in energy costs of existing buildings; seeking grants available to the County; supporting the REEPS legislation; and, encouraging general contractors to show experience with the LEEDs process. She stated that Durham County and the Town of Chapel Hill had established a similar program.

Commissioner Lucier complimented the Task Force on its work, noting the recommendations were reasonable. He asked if they had been working with the school system at all. Ms. Ravetto replied no, that they had not yet had official communication with them.

The County Manager stated that the recommendations of the Task Force had been forwarded to the School Board.

Commissioner Lucier said that connection needed to be formalized so that they could be an integral part of the process. The County Manager agreed.

Commissioner Lucier asked if the Task Force had been involved with the judicial facility. Ms. Ravetto said she had attended both meetings on the judicial facility as well as the Central Carolina Community College (CCCC) Library, and both projects were committed to the LEEDs process. She said they had great faith that the architects, Cherry Huffman & Associates, would carry out the plans using LEEDs standards.

Commissioner Lucier said regarding the life cycle cost assessment, he believed what they were saying was that part of the life cycle process would estimate the years to payoff of those additional costs. Ms. Ravetto said that was correct, noting that was an essential part of the process.

Commissioner Lucier said if the Board agreed, he would like the Task Force to work with the Economic Development Corporation and exchange ideas about alternative energies and conservation as an economic tool in the County. He said perhaps together they could form ideas on how to attract some Green Building businesses. Ms. Ravetto agreed that was a good direction in which to move.

Commissioner Lucier suggested that the Task Force meet with members of the school board as well.

Chairman Thompson said perhaps they could talk with the Environmental Review Board. Ms. Ravetto said members of the Task Force would be attending meetings of these and other groups.

Mr. Totten asked the cost of getting Silver LEEDs certification. Ms. Ravetto stated it depended on the square footage of the building; that registration in the program was \$450 if you were a member, and normally the architects were members; and that the plaque to go in the building after construction was \$2,000-\$3,000. Of course, she stated, there was also the work required during the design and construction process.

The County Manager stated in terms of implementation, the Board's preference. He asked if they wanted it in the form of an ordinance and funded through County dollars.

Commissioner Lucier stated he did not know if a formal ordinance was necessary, but he wanted to retain some flexibility. Ms. Ravetto noted that Chapel Hill had adopted a policy rather than an ordinance.

Commissioner Lucier moved, seconded by Commissioner Vanderbeck, to adopt the guidelines of the Green Building Task Force presented to the Board of Commissioners by Alicia Ravetto (to be adopted as a policy and not an ordinance). The motion carried five (5) to zero (0). A copy is attached hereto and by reference made a part hereof.

AFFORDABLE HOUSING

Commissioner Vanderbeck stated that he had wanted to make sure some money was set aside for affordable housing, and believed through conversations with the Finance Officer that \$200,000 could be set aside in a reserve fund for that purpose with another \$200,000 earmarked for next year.

Commissioner Lucier stated that he thought it was a good idea. For his own education, he asked for a good picture of the affordable housing program.

Commissioner Cross stated that \$100,000 had been collected so far from Briar Chapel to be used for Habitat. Commissioner Lucier asked if it could be used elsewhere, or if there was any flexibility. Commissioner Cross stated it had to be used for Habitat.

Commissioner Cross noted other funds that had been received or were set aside for affordable housing, including for land purchase and infrastructure.

Commissioner Vanderbeck stated that this was an attempt to set aside funds for affordable housing, just as they did for schools, parks and other things. He said it would be done over a two-year period and placed in a fund that would draw interest earnings. Commissioner Vanderbeck said it would send the message to residents, newcomers and prospective businesses that this was important to the community.

Commissioner Vanderbeck moved, seconded by Commissioner Lucier, to direct staff to create a special revenue reserve fund for affordable housing, that \$200,000 be set aside this year for that fund, and another \$200,000 be set aside for the next fiscal year. The motion carried five (5) to zero (0).

The Finance Officer noted the Board would have to adopt an ordinance to formally set up that reserve fund, and after July 1st a budget amendment could be adopted to move the funds into that reserve fund.

CLOSED SESSION

Commissioner Vanderbeck moved, seconded by Commissioner Lucier, to recess the Work Session and convene in Closed Session for the purpose of discussing potential litigation and attorney client privilege. The motion carried five (5) to zero (0).

WORK SESSION

Commissioner Lucier moved, seconded by Commissioner Barnes, to adjourn the Closed Session and reconvene the Work Session. The motion carried five (5) to zero (0).

ADJOURNMENT

Commissioner Cross moved, seconded by Commissioner Vanderbeck, to adjourn the Work Session. The motion carried five (5) to zero (0), and the meeting was adjourned at 5:57 PM.

Carl Thompson, Chairman

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners