

**MINUTES OF A
REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
JANUARY 04, 2022**

The Jackson County Board of Commissioners met in a Regular Session on January 04, 2022, 6:00 p.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present:	Brian McMahan, Chairman	Don Adams, County Manager
	Boyce Deitz, Vice Chair	Heather C. Baker, County Attorney
	Tom Stribling, Commissioner	Angela M. Winchester, Clerk to the Board
	Gayle Woody, Commissioner	
Absent:	Mark Jones, Commissioner	

Chairman McMahan called the meeting to order.

(1) **PROCLAMATION FOR MARTIN LUTHER KING, JR. DAY OF SERVICE:** Commissioner Woody read a Proclamation to proclaim January 17th as Martin Luther King, Jr. Day of Service. Commissioner Deitz moved to approve the Proclamation. Commissioner Stribling seconded the Motion. Motion carried.

(2) **AGENDA:** Commissioner Woody moved to approve the agenda. Commissioner Deitz seconded the Motion. Motion carried.

(3) **MINUTES:** Commissioner Woody moved to approve the minutes of a Work Session of December 14, 2021 and a Special Called Meeting of December 14, 2021, as presented. Commissioner Stribling seconded the Motion. Motion carried.

(4) **CHAIRMAN'S REPORT:** None.

(5) **COMMISSIONER REPORTS:** Commissioner Woody stated that she stopped by the celebration at Bridge Park in honor of the Harriet Tubman statute, which would be leaving the community. She felt that it had been a wonderful opportunity for the community to have a sculpture of that quality be a part of the community for the last couple of months.

(6) **COUNTY MANAGER REPORT:** None.

(7) **INFORMAL COMMENTS BY THE PUBLIC:** None.

(8) INDOOR POOL: Chad Roberson, Principal Architect Clarknexsen was present via Zoom for this item.

Mr. Adams stated that as everyone was aware, the construction bidding environment was volatile at that point. Mr. Roberson provided staff with best estimates of what he believed the bids would be in May. Staff worked with the architects to look for common sense areas where they could look at the project for cost savings that would not impact the aesthetics or functionality of the building.

He provided the indoor pool renditions, pictures, schematics, floor plans, etc., as a reminder to the Board and the public. He requested that Mr. Roberson to go over the updated costs.

Mr. Roberson presented:

(a) Statement of Probable Cost to the Board for review. He noted the Grand Total section of the statement as follows:

Grand Total Construction Cost, Today's Dollars		\$16,146,060
Overhead and Profit	4%	\$645,842
Escalation and Design Completion Contingency	10%	\$1,679,190
Owner's Construction Contingency	3%	\$503,757
Architect's Fee		\$1,460,000
Geotech, Permitting, Special Inspections, Material Testing, etc.		\$300,000
FFE		\$246,400
Technology/Equipment		<u>\$223,200</u>
Grand Total Construction Cost		\$21,204,449
Existing Budget from Template		<u>\$19,700,480</u>
Variance from Budget		(\$1,503,970)
Alternates:		
PV Array		\$235,000
Parking Lot - South		\$162,513
Scoreboard - Video Board Upgrade		\$35,000
Floor Tile - Pool Decks		\$162,680
Total Alternates		\$595,193
Grand Total Construction Cost Base Bid + Alternatives		
		\$21,799,642
Variance from Budget		(\$2,099,163)

Mr. Adams stated that when Clarknexsen came before the Board previously, there was an attempt to build in escalation at 6% per year, which was now at 10%.

Mr. Roberson stated there was a huge jump in the volatility of the construction market between December 2020 and December 2021 and it had been substantial. It was largely due to the Covid pandemic, labor shortages and some tariffs that were lingering.

Mr. Adams stated that staff asked Mr. Roberson to see if there were items that could be looked at for cost savings that would not impact the functionality or visual aspects of the project.

Mr. Roberson stated that where they were in the design process, it had given them a chance to refine the layout and to look at items, such as the lighting fixtures.

Mr. Adams presented:
(b) Indoor Pool Cost Reduction Recommendations:

<u>Reductions found that would not impact Aesthetics nor Functionality</u>	<u>Reduction in Costs</u>
Reduce Door Card Readers from 25 to 15	(\$65,000)
Translucent Wall - Change Manufacturer	(\$85,950)
Switch PVC Piping from Schedule 80 to 40	(\$30,000)
Reduce Lighting Fixture Costs	(\$70,000)
Switch to Aluminum Feeders from Transformer to Panel Box	(\$57,000)
Eliminate underground Duct Work	(\$50,000)
Total	(\$357,950)
20% Multiplier	(\$71,590)
Grand Total of Reductions	(\$429,540)
<u>Original Items to be Alternatives</u>	<u>Potential Reduction in Costs</u>
Solar Panels (PV Array)	(\$235,000)
Option to Gravel Parking Lot instead of Pavement	(\$162,513)
Scoreboard Upgrades	(\$35,000)
Remove Floor Tile on Pool Decks	(\$162,680)
Subtotal with Multiplier built in	(\$595,193)
<u>Additional Items Recommended to be Alternates</u>	<u>Potential Reduction in Costs</u>
Eliminate Seat Walls at Entry Points	(\$48,600)
Fire Lane - Gravel vs. Pavement	(\$33,000)
Open Ups Control Specifications to Multiple Vendors	(\$30,000)
Total	(\$111,600)
Subtotal Plus 20% Multiplier	(\$133,920)
Grand Total of Alternates	(\$729,113)

Total Estimated Shortfall	\$2,099,163
Grand Total of Reductions	(\$429,540)
New Estimated Shortfall	\$1,669,623
Grand Total of Alternates	(\$729,113)
New Estimated Shortfall if Alternates were not funded	\$940,510

General discussions were held.

Mr. Adams stated there was another \$336,000 that could be removed from the contract and installed by the owner. It was recommended that \$192,000 of these costs be transferred over to the owner. The \$192,000 in estimated costs associated with exterior signage and landscaping were recommended to be removed from the bidding process. The county would take on those responsibilities. Although there would be costs associated with these functions, there should be a significant savings.

The initial estimate shortfall of \$2,099,163 had been reduced by \$429,540 to \$1,669,623. These reductions would not impact the facility aesthetically nor functionally. Originally, there were \$595,193 of alternates identified. An additional \$133,920 of alternates had been added. Alternates at an estimated cost of \$729,113 could be bid out so that the county could choose whether or not to proceed forward with those specific items.

Again, the construction bidding environment was volatile at that point. All of these numbers were based on best estimates at that time. They were hopeful for any combination of an improved bidding market, cost reduction recommendations, the proposed alternates and the assumption of some costs directly would provide options for the county to move forward with the project after the bids were received.

The county was fortunate to be in a position to financially absorb the projected increases as described. The county had options to seek additional loans that could be funded through tax base growth and/or to use fund balance to cash the additional costs.

Mr. Adams presented:

(c) Fund Balance Position – General Fund:

Total Fund Balance	\$35,221,830
Register of Deeds	(\$53,235)
Stabilization by State Statute	(\$6,563,806)
Assigned/Committed	<u>(\$5,469,481)</u>
Unassigned Fund Balance	\$23,135,308
Unassigned FB 2020	\$19,599,689
Increase in Unassigned FB	\$3,535,619

Mr. Adams presented:

(d) Jackson County Aquatics Center:

One Cent on Tax Rate Equals:		
Prior Value and Tax Rate	\$956,174	
Current Value and Tax Rate	\$1,122,583	
Tax Rate projected at time of application (15 years):		
	Amount	Tax Rate
Construction	\$19,950,480	\$0.0222
Annual Operating Costs	\$380,324	\$0.0040
	\$20,330,804	\$0.0262
\$20,000,000 @ 4.00% 15 years		
Debt-Construction	\$20,000,000	\$2,124,471
Operating Cost	\$380,324	<u>\$380,324</u>
		\$2,504,795
1 cent on tax rate equals		\$1,122,583.26
Tax Increase		\$0.0223
\$22,000,000 @ 4.00% 15 years		
Debt-Construction	\$22,000,000	\$2,336,918
Operating Cost	\$380,324	<u>\$380,324</u>
		\$2,717,242
1 cent on tax rate equals		\$1,122,583.26
Tax Increase		\$0.0242

Mr. Adams stated that they had seen improvements in property value in the county, so the penny sales tax was worth approximately \$1.2 million, which also potentially decreased the taxation necessary for the project. He was hopeful that with this, along with fund balance and the ability to look at different funding sources, they would be able to move forward with a quality product and be in a position in May, when they opened bids, to move forward.

Commissioner Deitz asked Mr. Roberson why they did not find these savings to start with?

Mr. Roberson stated that as they were going through the design process, they looked at a number of manufacturers, because this was a publically bid project, they generally had to choose a manufacturer to design around. Initially, they made a selection, but the pricing varied based on the market at that time.

General discussions were held.

Commissioner Deitz asked if there was anything other than what was presented, that would be just as good that would reduce the cost?

Mr. Roberson stated he thought they had made a deep dive into the project trying to identify those areas. They would continue to do so as they were refining construction documents to save money, but keep the same quality necessary for the project to have longevity.

Chairman McMahan stated that this was the preliminary look based on staff reviews and architectural reviews to put a best guess on where they may come in at, but they really would not know until May when they did bidding. At that time, they would have options presented.

Mr. Adams stated that what they had done so far, was the best they could do without drastically impacting the functionality and aesthetics of the facility. Unless they received direction otherwise from the Board, they would proceed forward with what had been presented. He asked Mr. Roberson about the timeline of going out to bid.

Mr. Roberson stated they were looking to complete construction documents at the end March then it would go to the Department of Insurance for their plan review. They were looking for bids to be accepted the end of May.

Informational item.

(9) SOLID WASTE BOARD: *Carry over.*

(10) TUCKASEIGEE WATER AND SEWER AUTHORITY: *Carry over.*

(11) PRESS CONFERENCE: None.

(12) CLOSED SESSION:

Motion: *Commissioner Deitz moved that the Board go into closed session pursuant to G.S.143-318.11(a)(3) Legal and G.S.143-318.11(a)(5) Real Property. Commissioner Woody seconded the Motion. Motion carried.*

Chairman McMahan called the regular meeting back to order and stated that no action was taken in closed session except the approval of the minutes.

There being no further business, Commissioner Deitz moved to adjourn the meeting. Commissioner Woody seconded the Motion. Motion carried and the meeting adjourned at 7:19 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman