

PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS

The Board of Commissioners of Roseau County, Minnesota met, in special session, in the courthouse in the City of Roseau, Minnesota, on Tuesday, July 5, 2005, at 9:00 a.m. to discuss Roseau County Jail Planning. Commissioners present were Orris Rasmussen, J. C. Stone, Alan Johnston, Russell Walker, and Mark Foldesi. Also present were Jail Study Committee members, Dave Anderson, Janice Anderson, Jule Hanson, Jon Jenson, Scott Habstritt and Tim O'Donnell.

The meeting was called to order at 9:00 a.m. by County Board Chairman Orris Rasmussen.

The Board discussed the Roseau County Jail and Social Services building project costs presented at the June 30, 2005 Committee of the Whole Meeting. The Board expressed concern that the estimates are now \$7.2 to \$7.4 million, approximately \$1 million higher than the first estimate given one year ago. The additional expense is attributed primarily to an 11% increase in construction costs and an additional 2% cost increase projection to the mid point of construction. The Board discussed possible alternatives which include adjusting the budget cap from \$6 to \$7.5 million or proceeding with building a jail and not relocating law enforcement or social services.

The preliminary project cost numbers provided in June of 2004 were based on building a 13,000 square foot law enforcement facility at an estimated cost of \$1,579,946 and building a 22,373 square foot jail at an estimated cost of \$4,042,794. These estimates did not include such items as site work or architect/engineering fees. Soft costs added approximately \$800,000 to \$1,000,000 to that projection, giving an estimated project total of \$6.4 million. The project has since changed to include a 24,640 square foot jail and instead of a 13,000 square feet law enforcement center, a 12,000 square foot social services building. After months of research, the Jail Study Committee had recommended relocating law enforcement into the existing social service structure and building a new building for social services. This decision would save approximately \$700,000 in construction costs and solve a number of courthouse campus security issues as well as an anticipated space need problem in social services. Social services is the department most likely to outgrow its current space within the next five to ten years requiring an addition or re-location. This department brings in approximately \$15 million in federal and state funding to supplement \$1 million of county dollars to provide services in Roseau County. Growth in this department requires additional space, but is not a budget liability to the county as the new positions are self-funding and bring additional revenue into the welfare fund to provide services to county residents. During the facility study, a number of safety and security deficits were also noted. The Board, by resolution, accepted the Jail Study Committee recommendations based on their cost saving potential and the opportunity to be proactive in solving the courthouse building safety needs and the likely social services space need.

Commissioner Johnston made a motion to accept the research that the Jail Study Committee provided and their recommendation which included building at a minimum a 26 cell/52 bed jail, re-locating law enforcement in social services, and building a new social services building. The motion was seconded by Commissioner Walker and carried by a 3-2 vote. Voting in favor were Johnston and Walker. Opposed were Foldesi and Stone. Chair Rasmussen broke the tie and voted in favor.

The Board discussed at length the impact on taxpayers of adding \$1.5 million to the project budget. It was noted that \$200,000 is already in the 2005 budget to begin preparation for

debt service on the Jail Project. Approximately \$150,000 is in the Sheriff's Department budget for operational expenses of transporting and housing prisoners out of county. This gives the county nearly \$350,000 to apply toward servicing of a bond debt.

The Board discussed the affordability of the project to the County. Roseau County currently has no debt and has a bonding or debt limit of \$12,786,668 based on 2004 taxable market value figures. Cash balances were discussed and it was noted that \$2,000,000 is currently allocated to the building project. In addition, the county could comfortably contribute another \$1 to \$1.5 million to the project, reducing the overall bonding amount needed for the \$7.5 million budget to \$5.5 million at a maximum and \$4 million at a minimum depending on the amount of cash the county used to fund the project. At current market rates the debt service on this bond would range from \$300,000 per year to service a \$4 million debt to \$450,000 to service a \$5.5 million debt. As noted, the current budget includes \$350,000 that could be allocated to debt service.

The Board discussed the amount of cash reserves to use on the jail project and how this money could be replaced. If the county intends to reimburse itself for the cash used in the project, additional money would need to be levied each year to do so. The Board directed the finance committee to meet to review the numbers and return to the full Board with a recommendation.

The Board discussed possible alternatives in order to meet the original budget goal of \$6 million. It was decided that the jail building itself has been reduced in size already to the smallest number of units to make it a feasible project. The Jail Study Committee has reviewed the plans, made many cost-reducing decisions, and have approximately \$300,000 in bid alternate items that could be cut if needed including a courthouse link at a savings of \$98,000 and an exterior finish selection of sandblasting pre-fabricated cement walls vs. choosing a thin brick to the finish that would provide a savings of \$104,000. In order to further reduce expenses to meet the original budget target of 6 million would require finding another \$1 million to cut. The only possibility would be to cut the social services building entirely from the project and leave law enforcement in their current building. The existing law enforcement building would need some remodeling but the biggest expense would be in the additional operating cost of separating the jail and law enforcement functions. The other item to consider is the future space needs of social services and the foreseeable need to expand or relocate that department in the near future.

The Board noted that it would be more productive to debate possibilities and make these difficult decisions once they have hard numbers. In order to get the true cost the project will have to be bid. The Board decided to advise the architect, Rich McCarthy, to complete the schematic design and get a bid package ready. The Board would like to separate out the components of the project and have the jail and the social service building bid separately and then bid together with social services as a bid alternate. A motion was made by Commissioner Johnston, seconded by Commissioner Walker, and carried by unanimous vote to adopt the following resolution:

2005-07-01

BE IT RESOLVED, that the Board does hereby authorize Klein-McCarthy Architects, LTD to proceed with construction documents on a 24,640 square foot 26 cell/52 bed jail building and a 12,100 square foot social services building.

BE IT FURTHER RESOLVED, that the Board directs Klein-McCarthy Architects, LTD. to put the project out for bids as jail only, social services only, and jail and social services building together with a deduct bid alternate for social services.

The Board discussed Rich McCarthy's offer to lock in the architectural fee at an agreed upon amount versus a project percent. A motion was made by Commissioner Johnston, seconded by Commissioner Walker, and carried by unanimous vote to adopt the following resolution:

2005-07-02

BE IT RESOLVED, that the Board does hereby authorize entering into a contractual arrangement with Klein-McCarthy Architects, LTD locking in architectural fees at an agreed-upon amount, replacing the previously agreed upon fee schedule.

Upon motion carried, Chairman Rasmussen adjourned the meeting at 12:00 p.m. The Board will convene its next regular meeting at 8:30 a.m. on Tuesday, July 12, 2005.

Attest:

Date: _____

Teresa R. Harren
County Coordinator

Orris Rasmussen
Board Chairman