

VIRGINIA:

At a recessed meeting of the Washington County Board of Supervisors held Monday, November 28, 2011, at 6:30 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Dulcie M. Mumpower, Chair
 Odell Owens, Vice Chair
 Phillip B. McCall
 Nicole M. Price
 Kenneth O. Reynolds
 Joseph C. Straten
 Thomas G. Taylor

Mark K. Reeter, County Administrator
 Lucy E. Phillips, County Attorney
 Christianne E. "Christy" Parker, Director of Economic Development and Community Relations
 Mark W. Seamon, Director of Budget and Finance
 Naoma A. Norris, CAP, Executive Assistant/Recording Clerk

1. Call to Order

The meeting was called to order by Ms. Dulcie M. Mumpower, Chair of the Board, who welcomed everyone in attendance.

2. Approval of Agenda

On motion of Mr. Owens, second by Mr. Straten, it was resolved to approve the agenda as presented.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

3. General Business:

a. Actionable Items:

1. Consideration of Award of Bid for Washington County Government Center

Mr. Sam Kiser with Thompson & Litton presented bid information received for renovations of the Washington County Government Center. Thirteen contractors submitted bids for the project. The bid was structured to have a base price for the majority of the work and include four add alternates to be considered at the Board's discretion. The low bid was received from Quesenberry Construction, Inc., out of Big Stone Gap, Virginia at the base bid of \$883,990. Mr. Kiser noted that Thompson & Litton has worked with Quesenberry Construction before, and found them to be responsible and responsive in their work.

Mr. Kiser reviewed the bid-alternates reflecting Quesenberry's bid amount as follows:

- Bid-Alternate 1: construction of new second floor rear main entrance vestibule with construction of existing rear employee entrance covers under Design Option "A". \$92,500
- Bid-Alternate 2: Installation of movable partition wall system in new Board of Supervisors Meeting Room on second floor. \$71,300 (Not recommended at this time)
- Bid-Alternate 3: Construction for new second floor rear main entrance vestibule with construction of existing rear employee entrance covers under Design Option "B". \$96,500
- Bid-Alternate 4: Additional interior re-painting (above what is minimally needed as part of initial renovations). \$10,200

Mr. Kiser summarized the budget impact as follows:

Construction Budget	\$950,000
Low Bid	<u>(\$883,900)</u>
Difference	<u>\$ 66,100</u>

Mr. Kiser explained under Bid-Alternate 1 submitted by Quesenberry Construction, the construction of covers to the two existing employee entrances on the rear of the building could be eliminated, which would reduce construction of the new second floor rear main entrance vestibule under Bid-Alternate 1 by \$24,500 to \$68,000 total. Another suggested savings is reduction of \$8,000 in the base bid by modifying replacement flooring in a section of the second floor of the building (Building Inspector's Office), thereby reducing the base bid from \$883,900 to \$875,900. The total of the two savings is \$32,500. This amount could be added to the \$66,100 (difference between base bid and budgeted amount) giving a total of \$98,600 to use for bid-alternates.

Mr. Kiser noted he anticipates when the contract is awarded that Thompson & Litton should be able to talk through a few small items with the contractor that could result in an additional \$3,000-\$5,000 in savings. However, for the purposes of tonight's actions, the Board is asked to consider the numbers

previously reviewed. Additionally, Thompson & Litton recommends the Board approve a contingency of \$50,000 to cover change orders and unforeseen items.

Mr. Reeter summarized the presentation by explaining should the Board wish to award the bid, \$8,000 could be deducted by modifying replacement flooring and reduce the base bid to \$875,900. Further, should the Board want to add the rear vestibule entrance and do nothing to the employee entrance, it would bring the total bid award to \$943,900. Also, if the Board would like to establish a construction contingency of up to \$50,000 within the County's Capital Improvement Fund, which is where the projected is budgeted, there is \$163,000 in undesignated reserves where the money could be taken from and placed into the Capital Improvement Fund to cover overruns and unforeseen items relating to the project.

Discussions ensued among the Board and Mr. Reeter concerning the lease revenue the County has received from Alpha Natural Resources. Mr. Reeter explained the County should receive a total of \$1,300,000 through January 2012. This revenue will be used largely to cover the renovations to the County Government Center, as well as cover the first debt service payment on the building and design services, which have already been paid.

Mr. Owens (County Facilities Committee member) explained the County Facilities Committee recommends construction of a rear entrance to the second floor of the building. Without the rear entrance, the building will not be used nearly as efficiently. The Committee recommendation is to award the base bid plus the add-alternate for addition of the rear entrance.

On motion of Mr. Owens, second by Mr. Reynolds, the Board acted to award bid for the Washington County Government Center Project to Quesenberry Construction in the total amount of \$943,900, and transfer \$50,000 from Line-item 94911-9500, General Capital Reserve-Reserve Undesignated to Line-item 94111-8440, County Facilities-Administration-Building Improvements-Administration.

Further discussions ensued among the Board about upgrades at a later time to the County Government Center, such as installation of a movable partition wall system in new Board of Supervisors Meeting Room on second floor.

Ms. Price presented a recommendation to the Board that the County approach Alpha Natural Resources with an offer to extend the lease of the building. It is her understanding that Alpha is in need of a great deal more space than they built for at their new corporate headquarters in Bristol. This could potentially help Alpha, who is a great corporate citizen. Also, an extended lease arrangement with them would generate additional revenues for the County. The additional lease revenue would make the building a better investment for the County, and help the County pay for the building. In addition, offering an extended lease would perhaps allow Alpha to bring employees from the Massey offices in Richmond and the Foundation employees to Abingdon. These people would most likely purchase homes in the County and add to the economy. Ms. Price recommends since the bids are good through the end of December that the award be tabled, and Alpha be approached with the proposal to extend the lease arrangement.

Mr. Reeter explained because the Government Center Building was purchased with tax-exempt bonds, to go forward with Ms. Price's proposal would require a total refinancing of the building because of Arbitrage. Under the current financing structure, the County can only collect revenue through early spring of 2012.

Mr. Straten and Mr. Owens addressed Ms. Price's proposal and explained that in conversations with company officials at Alpha, they have sufficient office space at this time.

Mr. Reynolds stated the Facilities Committee has done an excellent job with the project and now is the time to take action on award of bids.

Mr. Reeter stated that a contract for renovations of the County Government Center will be presented to the Board at the December 13 regular meeting. Thompson & Litton will issue a notice of award to Quesenberry and produce a contract.

The vote on this motion was as follows: (6-1)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Nay</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

4. Closed Meeting:

- a. Request to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding the matter of the pending lawsuit, BC Liquidation, Inc. v. County of Washington, Virginia**

On motion of Mr. McCall, second by Ms. Price, the Board acted to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding the matter of the pending lawsuit, BC Liquidation, Inc. v. County of Washington, Virginia. It was further resolved to include County Administrator Mark Reeter, County Attorney Lucy Phillips, Economic Development and Community Relations Director Christy Parker, Commissioner of Revenue David Henry, retained legal counsel John Rife and Board of Supervisors-elect Bill Gibson and Wayne Stevens in the Closed Meeting

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

A brief recess was taken by the Board prior to convening in Closed Meeting.

b. Reconvene in Open Meeting and Certification of Closed Meeting

After returning to the meeting, the Chairperson noted that upon motion of Mr. Owens, second by Ms. Price and favorable vote, the Board of Supervisors reconvened in open meeting. The Chairperson called for any participant in the closed meeting(s) who believed that there was a departure from the requirements of the Virginia Freedom of Information Act during the closed meeting(s), to state the substance of the departure that they believed took place. No members of the Board responded to the Chairperson's call for statements.

On motion of Mr. Owens, second by Mr. McCall, the members of the Board certified the closed meeting(s) in accordance with the requirements of the Virginia Freedom of Information Act. By vote in favor of this motion, each member certified that the closed meeting was conducted in conformity with Virginia law, and that only public business matters lawfully exempted from open meeting requirements and identified in the motion by which the closed meeting was convened was heard, discussed, or considered in the closed meeting.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

5. Adjourn or Recess

On motion of Ms. Price, second by Mr. McCall, it was resolved adjourn.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

11-28-11

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Prepared by:

Naoma A. Norris, Recording Clerk

Approved by the Washington County Board of Supervisors:

Dulcie M. Mumpower, Chairman