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**CUMBERLAND**  
★ **COUNTY** ★  
NORTH CAROLINA

**BOARD OF COMMISSIONERS**

CANDICE WHITE  
Clerk to the Board

KELLIE BEAM  
Deputy Clerk

**MEMORANDUM**

TO: Finance Committee Members (Commissioners Edge, Faircloth and King)  
FROM: Candice H. White, Clerk to the Board  
DATE: September 29, 2014  
SUBJECT: Finance Committee Meeting – Thursday, October 2, 2014

**There will be a regular meeting of the Finance Committee on Thursday, October 2, 2014 at 9:30 AM in Room 564 of the Cumberland County Courthouse located at 117 Dick Street, Fayetteville, NC.**

**AGENDA**

1. Approval of Minutes – September 4, 2014 Regular Meeting (**Pg. 2**)
2. Consideration of Fort Bragg Regional Alliance Funding Request (**Pg.11**)
3. Consideration of Finance, Human Resources and Benefits Software Contract (**Pg. 14**)
4. Consideration of Amendment to Annual Audit Contract (**Pg.16**)
5. Monthly Financial Report (**Pg. 17**)
6. Other Matters of Business (**NO MATERIALS**)

cc: Board of Commissioners  
County Administration  
Tammy Gillis, Senior Internal Auditor  
County Legal  
County Department Head(s)  
Sunshine List

# DRAFT

CUMBERLAND COUNTY FINANCE COMMITTEE  
 COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
 SEPTEMBER 4, 2014 - 9:30 AM  
 MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman  
 Commissioner Kenneth Edge  
 Commissioner Billy King

OTHER COMMISSIONERS  
 PRESENT: Commissioner Jeannette Council

OTHERS: Amy Cannon, County Manager  
 James Lawson, Deputy County Manager  
 Melissa Cardinali, Assistant County Manager  
 Phyllis Jones, Assistant County Attorney  
 Vicki Evans, Accounting Manager  
 Sally Shutt, Government Affairs Officer  
 Jeffrey Brown, Engineering and Infrastructure Director  
 Randy Beeman, Emergency Services Director  
 Julean Self, Human Resources Assistant Director  
 Mark Browder, Mark III Brokerage Services  
 Candice White, Clerk to the Board  
 Press

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – AUGUST 7, 2014 REGULAR MEETING

MOTION: Commissioner King moved to approve the minutes.  
 SECOND: Commissioner Faircloth  
 VOTE: UNANIMOUS (3-0)

2. UPDATE ON EMPLOYEE WELLNESS CLINIC

Mark Browder, Mark III Brokerage Services, provided the following PowerPoint presentation as the Clinic and Wellness services update and recommendations.

Clinic and Wellness Request for Proposals

The County implemented the Clinic for the following reasons:

- Provide a low cost point of access for basic medical care for employees.
- Support Wellness Initiatives.
- Reduce employee time away from work while accessing basic health care needs.

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- Deliver savings to the employees and County.

The County requested proposals for Clinic and Wellness services for the following reasons:

- Gain greater employee acceptance of the clinic.
- Increase patient flow into the clinic.
- Integrate the wellness program with clinic operations, including annual screenings, and data collection.
- Have a greater impact on employee health improvement.

Below are vendors who responded:

- Cumberland County Health Department
- Novant Health
- Better Care Wellness
- Carolinas HealthCare System
- UNC Department of Family Medicine

Below are vendors who did not respond:

- Vidant Health
- Target Care
- Rival Health
- Cape Fear Valley
- First Health
- Doctors Direct Health Care

Mr. Browder stated Mark III reached out to Cape Fear Valley on a couple of occasions to be certain they did not want to participate in the process; however, they felt they were really not in a good position to provide the clinic and wellness services.

Finalist presentations were conducted on June 11<sup>th</sup>.

- The finalists were:
  - Carolinas Healthcare
  - County Health Department
  - Novant Health
- Additional proposal clarifications were obtained.
- Revised parameters for clinic staffing were established to meet budget needs.

In reviewing the final responses, the recommendation is to contract with Novant Health for the following reasons:

- Comprehensive Wellness Experience – Novant works with multiple public sector employers in North Carolina
- Comprehensive Data Collection – Tracking
- Novant can manage accountability standards
- Robust reporting tools – MedAi for predictive modeling and claims data integration with BCBSNC
- Competitive cost structure

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Mr. Browder stated the following table identifies the cost of each of the operations at the clinic for which Novant was the most competitive. Mr. Browder stated the County Public Health was not capable of conducting an annual screening event because it would have had to stagger screenings over a twelve month period which did not meet the needs of the annual event.

WELLNESS CENTER ITEMS	NOVANT HEALTH	COUNTY PUBLIC HEALTH	CAROLINAS HEALTHCARE
CENTER'S START UP COSTS	\$16,539.00	\$90,000.00	\$15,000.00
CENTER'S OPERATIONAL COSTS	\$338,405.00	\$278,306.00	\$364,315.00
CENTER'S COSTS	\$354,944.00	\$368,306.00	\$379,315.00
COST PER HEALTH SCREENINGS	\$40.00	Staff Limitations to Support Annual Event. Challenged to track data.	\$45.00 per employee/plus \$38,060 Fee
SCREENINGS - 90% -1710 EMP	\$68,400.00	No – Unable to track data and host event	\$115,010.00
TOTAL COST FOR ALL ITEMS	\$423,344.00	Incomplete Screenings were not included	\$494,325.00
MANAGE AREA PHYSICIANS	YES	NO	NO
SOFTWARE TO INTEGRATE MEDICAL CLAIMS, PROVIDE PREDICTIVE MODELING and DATA REPORTING	YES – NO COST	NO	YES – \$5,000 Plus .95 Per Emp.Per Month
HEALTH COACHING	YES – NO COST	YES – NO COST	YES – NO COST

**Novant Health:**

- Third Party partner serving employees – Privacy and autonomy
  - Anticipate increased patient traffic in clinic
- Has screening capacity to handle annual event
- Cape Fear will partner with Novant to assist in finding staff to serve the clinic.
- Novant will utilize and integrate Cape Fear/local physician resources to deliver a comprehensive health care solution for County employees.
- Connected to the local provider community. Novant Health provides management for:

Carolina Pulmonary & Sleep Clinic PLLC
Integrated Pain Solutions
Life Enhancements Medical Services
Pinnacle Family Care

**Next Steps:**

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- Close current clinic effective September 30, 2014.
- Anticipated opening of the Novant Wellness Center in early 2015.
- Begin contract review by Legal Department immediately.
- October 1, 2014:
  - Inventory clinic by Finance Department.
  - Begin transition of all records to Novant Health by Wellness Coordinator.
  - Pharmacy staff, Wellness Coordinator, and clinic operations will report to Assistant County Manager/Finance as part of comprehensive risk and health plan management.

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In response to a question posed by Commissioner Edge, Amy Cannon, County Manager, stated the Public Health Department's start-up cost was greater in part because it included a wellness fitness center as part of their wellness solution/strategy and medical equipment.

Commissioner Keefe asked whether it will cost more or less to operate the pharmacy and clinic when considering Novant's total cost is just over \$400,000. Melissa Cardinali, Assistant County Manager, stated the cost to currently operate the clinic is \$260,000 but it is not being operated at the same level as Novant's; Novant's cost also includes screenings. Ms. Cannon stated tremendous savings are appreciated through the county's operation of the pharmacy and the pharmacy has doubled its number of monthly subscriptions. Ms. Cannon explained the funding for the clinic, wellness and pharmacy are out of the county's health insurance pool of funds and there are available funds to handle the comprehensive new approach.

In response to a question posed by Commissioner Council, Mr. Browder stated the clinic will continue to operate with a nurse practitioner and physician oversight.

Commissioner Edge asked whether the county will save money when considering the costs to operate the pharmacy, the clinic and wellness component. Mr. Browder stated as far as plan performance, the county has not had a benefit change in many years and costs have been extremely stable over the last several years. Mr. Browder stated the initiative and processes the county has implemented have worked very well but the one outlier is that the lack of traffic/buy in from employees. Mr. Browder stated Novant's independence from the county is felt to be a positive for employees and projections are for the uptake initially sought in employee traffic. Mr. Browder stated unfortunately, some of the hospitals and physicians raise their cost structure. Ms. Cannon stated changes in Federal law have been responsible for some of the areas that had to be increased and there are more to come. Mr. Browder stated two-thirds of the costs of renewal this year were health care reform related and benefit mandates are also forthcoming which will make a significant change to the additional cost of the plan; these costs are uncontrollable.

Commissioner Keefe asked whether there would be any restriction on an employee following up with their physician after having been seen by Novant Health. Mr. Browder stated there would be no restrictions and Novant Health's goal is to work with the medical community and not steer employees to a Novant Health provider.

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MOTION: Commissioner King moved to recommend a contract with Novant Health to the full Board.  
SECOND: Commissioner Faircloth  
VOTE: UNANIMOUS (3-0)

### 3. CONSIDERATION OF BUDGET REVISION ALLOWING FOR COMPENSATION OF EMPLOYEES SUCCESSFULLY COMPLETING THE TELE-COMMUNICATOR PROFESSIONAL DEVELOPMENT PROGRAM

#### BACKGROUND:

The Emergency Services Department currently has an in-house dispatch professional development program for tele-communicators. There are 3 levels to the program. With successful completion of each level, employees receive additional compensation to reflect the certification achievement and competency in each area of dispatch.

It was discovered that while employees have been successfully completing the professional development program, the associated compensation was not received for fiscal years 2013 and 2014. In order to provide the compensation for the affected employees, a revision to the Emergency Services budget is needed. The total fiscal impact for the two previous years is approximately \$25,500.

Going forward, controls have been put into place by Emergency Services and Human Resources to insure future achievements are recognized upon completion. Further monetary recognition will be limited to \$500 for each level achieved, allowing for equitable recognition among employees.

#### RECOMMENDATION/PROPOSED ACTION:

Approve budget revision allowing for compensation of employees successfully completing the Emergency Services professional development program.

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Ms. Cardinali reviewed the background information and recommendation as recorded above. In response to a question from Commissioner Edge, Ms. Cardinali stated the previous compensation was 5% as each level was reached and the \$500 is to ensure the compensation is equal regardless of an employee's compensation level. Commissioner Edge asked why compensation was not received for fiscal years 2013 and 2014. Mr. Cardinali stated it was due to a lack of standardized procedures and changes in personnel employed in that department. Ms. Cardinali stated the \$25,500 requested is for seven employees being compensated at 5% for each level achieved.

Randy Beeman, Emergency Services Director, explained when staff are brought into the call center, they have received the basic training and skills sets through the International Association of Dispatch in the areas of emergency medical dispatch, emergency fire dispatch, emergency police dispatch and emergency call taker. Mr. Beeman explained the employees are then indoctrinated into the physical aspects of the job of answering the phone and additional training or "chair time" which consists of sitting in a fire position for nine months, emergency services for three months and law enforcement for twelve to fifteen months due to the complexities of calls received in the Law Enforcement Center. Mr. Beeman stated after having been

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successfully tested and reviewed, staff are approved for pass through.

Julean Self, Human Resources Assistant Director, explained that through the classification study, the three levels for tele-communicator positions were collapsed into one level and now they are compensated within the salary range for that one level.

Mr. Beeman assured the committee that when the public dials 911, a skilled operator answers; staff participating in the professional development program are being trained along side the skilled operators and do not operate alone without having been certified in all the required levels of proficiency. In response to a question posed by Commissioner Edge, Mr. Beeman stated under the conditions of employment, future tele-communicators will be made aware that they will receive the certifications within a designated operational period and the \$500 compensation.

MOTION: Commissioner Edge moved to approve budget revision allowing for compensation of employees successfully completing the Emergency Services professional development program.

SECOND: Commissioner King

VOTE: UNANIMOUS (3-0)

#### 4. CONSIDERATION OF SALES TAX AGREEMENT WITH SEGAL REVENUE SPECIALISTS

##### BACKGROUND:

The County has engaged Segal Revenue Specialists for many years to review sales tax refunds and insure that all sales tax dollars that should be distributed to Cumberland County are indeed allocated to Cumberland. This arrangement with Segal is on a fee contingency basis. In other words, if no funds are due to Cumberland County then Segal does not receive anything.

Recently the NC Department of Revenue made the decision to perform reviews of sales tax reallocations on the 700 largest refunds. Their goal is insure the quality and accuracy of the process to minimize the fluctuations in sales tax refunds.

However, the effort by the NC Department of Revenue will not provide a review of all sales tax refund requests. Approval of the contract with Segal Revenue Specialists will aid in the effort to insure review of all of the sales tax refunds that impact Cumberland County, not just the larger refunds.

##### RECOMMENDATION/PROPOSED ACTION:

Approve letter of agreement as recorded below with Segal Revenue Specialists.

#### LETTER OF AGREEMENT

SEGAL Revenue & Expense Specialists, Inc. (SEGAL) and Cumberland County (CLIENT) hereby enter into this letter of Agreement whereby SEGAL shall serve as a consultant to

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CLIENT to examine and analyze the following listed revenue of CLIENT and to achieve refunds or adjustments in these areas:

## NC Sales and Use Tax Funds

1. Discovery of Additional NC Sales and Use Tax Refunds and/or
2. County Tax Reallocation Adjustments to any Non-Profit/Governmental Entity receiving county sales tax refunds from the County

SEGAL will request CLIENT to request a report from NC Revenue as to Non-profit and governmental entities receiving county tax funds from the County. Based on this list SEGAL will then assist any and all entities with a review of their E-585 Refund claims and implement the necessary adjustments and submit for review by NC Department of Revenue in order for County to receive these funds. SEGAL will also review the records of CLIENT to discover unclaimed NC sales and use tax.

Client agrees to pay SEGAL a fee for this service based upon the average annual amount of County Tax being requested by the non-profit entity under review on their original refund claim, as follows:

PROFESSIONAL SERVICES:	FEES:
Annual refund claims requesting \$500,000 or more of County tax	30%
Annual refund claims requesting \$300,000 to \$500,000 of County tax	35%
Annual refund claims requesting \$150,000 to \$300,000 of County tax	40%
Annual refund claims requesting \$75,000 to \$150,000 of County tax	45%
Annual refund claims requesting less than \$75,000 of County tax	50%

The fee percentage will be applied to the county sales tax distributed by the State based on the verification supplied by the NC Department of Revenue. Cumberland County and the City of Fayetteville will be billed for their pro-rata share of the fee.

This fee will be due within 45 days of CLIENT'S receipt of funds or official documentation from the North Carolina Department of Revenue evidencing the additional sales/use tax revenue being transferred or paid to the CLIENT.

SEGAL AGREES TO MAINTAIN IN STRICT CONFIDENCE ALL INFORMATION RECEIVED FROM CLIENT CONCERNING ITS REVENUES/EXPENSES AND METHODS OF DOING BUSINESS. FURTHERMORE, SEGAL ACTS AS A CONSULTANT ONLY AND DOES NOT RECEIVE ANY COMMISSIONS OR REMUNERATION OF ANY KIND FROM ANY VENDORS OR SERVICE PROVIDERS.

SEGAL has contracted with Dixon Hughes Goodman LLP to assist with this project.

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Ms. Cardinali reviewed the background information and recommendation as recorded above. Ms. Cardinali explained the NC Department of Revenue has not historically participated in

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auditing sales tax refunds they receive and Cumberland County engaged SEGAL for many years on a contingency basis; if they find monies owed to the county, they receive a percentage but do not receive anything otherwise.

Ms. Cardinali stated the NC Department of Revenue has now decided it will now perform a review of the top 700 sales tax reallocations within the State each year which means for SEGAL that all the large sales tax revenues are being taken off the table. Ms. Cardinali stated the NC Department of Revenue is not readily forthcoming with information about sales tax refunds and what this means for Cumberland County is that unless it hires a firm such as SEGAL, it stands to lose if one of the sales tax refund allocations is incorrect. Ms. Cardinali stated this letter of agreement will secure SEGAL on a contingency basis at a percentage that goes up as the reallocation goes down. Ms. Cardinali stated unless the county has a backup system in place, it cannot be assured sales tax refunds are being handled appropriately and sales tax revenues are not exposed to any undue decline. Ms. Cardinali responded to questions and explained the county reached out to Fayetteville to be sure it pays its percentage of any findings; if Fayetteville does not participate, there can be no agreement with SEGAL. Ms. Cardinali stated county staff have not yet heard from Fayetteville but SEGAL has reached out to the city.

MOTION: Commissioner King moved to approve the letter of agreement with Segal Revenue Specialists.  
SECOND: Commissioner Edge  
VOTE: UNANIMOUS (3-0)

## 5. MONTHLY FINANCIAL REPORT

### BACKGROUND:

The financial report is included as of June 30, 2014 (13<sup>th</sup> Period). Highlights include:

- Revenues
  - Ad valorem taxes: collections remain consistent with last year with a current rate of 99.13%.
  - Sales taxes: final sales tax disbursement for FY14 to be paid next month. Collections continue to remain under budget.
- Expenditures
  - Expenditures for all departments remain in line with previous years and show no significant variances.
- Crown Coliseum
  - A FY14 summarized income statement representing operating revenues and expenses of Global Spectrum as well as the County's Financial Summary for the Crown was provided. Beginning in Fiscal Year 2015 we will provide this information in one document.

### RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

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Vicki Evans, Accounting Manager, reviewed the financial information as recorded above and stated overall there are not a lot of changes from the prior month and sales tax revenues remain under budget. Ms. Evans explained how she consolidated financial statements from the Crown Coliseum in order to provide a simplified view of its income statements. Ms. Evans responded to questions regarding the Crown Coliseum report. Ms. Cardinali explained challenges associated with Global Spectrum's corporate financial statements when compared to governmental statements and how staff could possibly incorporate FY15 portions moving forward. Ms. Cardinali also explained this has been difficult for FY14 due to the split year but staff can continue to modify moving forward and are open to feedback.

Ms. Cardinali responded to questions and a brief discussion followed. Ms. Cardinali stated Global Spectrum engaged Cherry Bekaert to perform their audit and Cherry Bekaert also performs the county's audit. Ms. Cannon stated there is also the opportunity to perform an internal audit of the Crown Coliseum through the contract with Global Spectrum. Commissioner Edge stated he felt there should be an internal audit of the Crown Coliseum.

Commissioner Edge referenced the income statement for the county and asked whether the county was \$3 million behind in sales tax revenue. Ms. Cannon stated the county is \$3 million behind when compared to this time last year. Ms. Cardinali stated she would ensure postings were correct and respond with an email to the committee.

## 6. OTHER MATTERS OF BUSINESS

There being no further business, the meeting adjourned at 10:34 a.m.

AMY H. CANNON  
County Manager

MELISSA C. CARDINALI  
Assistant County Manager



JAMES E. LAWSON  
Deputy County Manager

**OFFICE OF THE COUNTY MANAGER**

**TO:** FINANCE COMMITTEE  
**FROM:** AMY H. CANNON, COUNTY MANAGER *ah*  
**DATE:** SEPTEMBER 25, 2014  
**SUBJECT:** FORT BRAGG REGIONAL ALLIANCE FUNDING REQUEST

**Presenter(s):** Amy H. Cannon, County Manager

**Estimated Committee Time Needed:** 10 Minutes

**BACKGROUND**

Historically the County has funded the Fort Bragg Regional Alliance through the annual budget process as part of community funding. Fort Bragg Regional Alliance (FBRA) requested funding in the amount of \$20,500 again in the fiscal year (FY) 2015 budget process. This request was not included in the recommended budget and was not funded as part of the FY 2015 adopted budget.

Mr. Greg Taylor of FBRA has again approached the County for funding. In the attached letter, Mr. Taylor requests the County remain a member of the FBRA. Membership dues are \$20,500 annually. In lieu of the County paying the dues, Mr. Taylor asks that the rent currently paid for FBRA office space be applied as payment of dues. Annual rent is \$18,000. Applying the rent toward the dues would leave a balance owed by the County of \$2,500.

There are several organized efforts in the community devoted to military and federal issues. These include the City, County and Chamber Federal Legislative Program partnership; the Military Affairs Council; the N.C. Military Business Center; and the Save the 440th Task Force.

Based on the proposed FBRA 2014-2015 work plan, which is attached, there appears to be a duplication of efforts in the area of economic development, business recruitment/marketing and workforce development. Funding was not recommended in the FY2015 budget due to this perceived duplication.

**RECOMMENDATION**

Recommend the County follow the adopted budget for FY 2015, which does not provide funding to the Fort Bragg Regional Alliance; and further, the County should continue to work through its federal program partnership with the City of Fayetteville and the Chamber of Commerce to pursue its goals.



September 24, 2014

Ms. Amy Cannon  
County Manager, Cumberland County  
117 Dick Street  
Fayetteville, NC 28301

Dear Amy,

This email is to follow up on our meeting earlier this week regarding Cumberland County's membership status with the Fort Bragg Regional Alliance. To briefly recap our discussion:

- The State has hired Matrix to complete the State's BRAC analysis. The Bragg Alliance will be important to this state effort as it relates to Fort Bragg since we have a tremendous amount of information relevant to the process. Additionally, I think that the selection of Matrix may be good for the region as I currently serve as Co-Chair of the Association of Defense Communities' Military Family & Veterans Council with the person who is in charge of the NC BRAC project for Matrix. We believe this is an opportunity to get regional and state leadership focused on how to leverage the next BRAC to best benefit Fort Bragg and this region.
- We are still working to bring a multi-million dollar Defense Industry Adjustment grant to this state and this region. I am meeting with Tony Rand, FTCC's Associate Vice President/Career Center Manager next week to plan our next steps. A part of this grant will focus on helping the region's economic development resources diversify the local economy.
- The Bragg Alliance continues to work with the Bragg Region Behavioral Healthcare Collaborative (BRBHC) that we organized to produce the Report on Behavioral Health Issues and Initiatives. The BRBHC is currently chaired by Hank Debnam, Cumberland County's site director for Alliance Behavioral Healthcare.
- The Bragg Alliance also continues to work with the Regional Planning Group that we pulled together to oversee the development of the Sustainable Growth Management Strategy (SGMS). The Regional Planning Group is currently chaired by Bob Bridwell of Lee County.

Please feel free to provide a copy of our Annual Work Plan to your board that details the full range of responsibilities assigned to us by our Board of Directors.

Our relationship with Cumberland County is unique compared to our other member counties in that we rent workspace from you. Our rent is \$1,500 per month or \$18,000 annually. The difference in your dues and the rent is only \$2,500. I propose that we allow the rent to serve as an in-kind contribution to the Bragg Alliance that offsets the membership dues. That would mean that Cumberland County would only have to pay the difference between the two in order to account for the full membership dues amount of \$20,500.

If you or the commissioners have any questions, please let me know.

Sincerely,

Greg Taylor  
Executive Director



## Proposed 2014-2015 Workplan

### Existing Industry

- 1) Work with the base leadership/GSA/NCMBC to generate more local contracting opportunities, and
- 2) Continue to work with NCMBC/Fort Bragg to educate local businesses regarding the opportunities at Fort Bragg.

### Recruiting

- 1) Leverage the marketing expertise and resources of NC Southeast to:
  - Continue to build our All American Defense Corridor brand,
  - Continue to target companies with FORSCOM/USARC connections,
  - Find ways to target suppliers and sub-contractors of the region's current defense contractors, and
  - Continue to provide leadership and leverage others for Big Picture Marketing.

### Prepare for the next BRAC

- 1) Make the best case for the retention of our current military assets,
- 2) Leverage our military/defense industry connections to identify and promote opportunities for mission growth that will result in the maximum economic impact outside the gate and that support Fort Bragg's current missions, and
- 3) Identify and facilitate effectiveness and efficiency opportunities that benefit the community and help DoD fulfill the military mission in this limited resource environment. *(Engage officials from Fort Bragg and surrounding communities in an effort to identify the world of possible Section 331 partnership opportunities with the installation.)*

### Other Initiatives and Responsibilities

- 1) Work with ADC and military communities to correct the Impact Aid shortfall.
- 2) *Work with ADC as a pilot community for the new Connect with Veterans Act. (Pending legislation being sponsored by U.S. Senator Heitkamp).*
- 3) *Work with the contractor hired by the state to develop the state's BRAC planning document.*
- 4) Continue to seek funding to implement the Landowner Engagement solution to the Compatible Land Use issue.
- 5) Continue to provide support to the Bragg Region Behavioral Healthcare Collaborative.
- 6) Continue to provide support for on-going initiatives.
- 7) Continue to seek additional grant resources to implement education, workforce, and economic development objectives. *(Work with the state to acquire and implement a Defense Industry Adjustment grant to the benefit of the Fort Bragg region.)*
- 8) Represent the Bragg Alliance membership:
  - On various state initiatives and task forces,
  - To the NC Military Affairs Commission,
  - To the Association of Defense Communities, and
  - At various other state and national venues.

MELISSA C. CARDINALI  
Assistant County Manager/Finance Director



VICKI EVANS  
Accounting Manager

**FINANCE OFFICE**

4<sup>th</sup> Floor, New Courthouse • PO Box 1829 • Fayetteville, North Carolina 28302-1829  
(910) 678-7753 • Fax (910) 323-6120

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**MEMO FOR THE AGENDA OF THE  
OCTOBER 2, 2014 MEETING OF THE FINANCE COMMITTEE**

**TO:** FINANCE COMMITTEE  
**FROM:** MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER  
BETTY CLARK, INFORMATION SYSTEMS DIRECTOR  
**DATE:** SEPTEMBER 23, 2014  
**SUBJECT:** FINANCE / HR / BENEFITS SOFTWARE CONTRACT

**Presenter(s):** Melissa C. Cardinali, Assistant County Manager / Finance Director

**Estimated of Committee Time Needed:** 15 Minutes

**BACKGROUND**

As part of the strategic plan, the Board of Commissioners identified several goals related to technology. These goals include advancing the County’s automation and technology capabilities and optimizing service delivery through innovation, automation and technology. To that end, funds were identified to upgrade and enhance software systems for the finance, human resources, benefits and tax departments.

Led by the information systems (IS) department, staff has been working on fulfilling the first phase of new software implantation which includes the finance, human resources and benefits departments. To that end, a steering committee was formed with representatives from all three departments. Requests for Information (RFI) were sent to 11 software vendors. The list was narrowed to three vendors based on current relationships with similar size counties in North Carolina. The selected vendors (Lawson, Tyler Technologies and CGI) were invited to provide demonstrations of their software and Cumberland County staff participated in site visits to other counties.

After a thorough review of these vendors, the steering committee unanimously agreed upon the software product – Tyler Technologies’ Munis. Munis is currently utilized in 49 NC counties as well as 85 NC municipalities. Munis will fulfill County requirements of full integration between finance, budget, payroll, benefits and human resources. The software will provide greater functionality and automated workflows between all County departments.

*Celebrating Our Past...Embracing Our Future*

Munis software is available through the National Joint Powers Alliance (NJPA) which is the national equivalent to a state contract. This means the contract has been through a competitive bid process on the national level. The contract price for software and implementation is \$1,592,844. The steering committee is confident that Munis is the software with the lowest initial and ongoing costs as well as providing the County with the best technology for our needs.

### **RECOMMENDATION**

Approval of the software and implementation contract with Tyler Technologies in the amount of \$1,592,844 and approval of \$355,156 for project costs to include associated audit fees, temporary staff and system hardware requirements.

*Celebrating Our Past...Embracing Our Future*

MELISSA C. CARDINALI  
Assistant County Manager/Finance Director



VICKI EVANS  
Accounting Manager

## FINANCE OFFICE

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### MEMO FOR THE AGENDA OF THE OCTOBER 2, 2014 MEETING OF THE FINANCE COMMITTEE

**TO:** FINANCE COMMITTEE  
**FROM:** MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER  
**DATE:** SEPTEMBER 26, 2014 *file*  
**SUBJECT:** AMENDMENT TO ANNUAL AUDIT CONTRACT

**Presenter(s):** Melissa C. Cardinali, Assistant County Manager / Finance Director

**Estimated of Committee Time Needed:** 5 Minutes

#### BACKGROUND

Earlier this year, the Board of Commissioners approved a contract for Cherry Bekaert, LLP to perform the annual audit. Since that time, the N.C. Office of the State Auditor has made revisions to the work required of audit firms.

Within the past 8 weeks, the Office of the State Auditor has issued new required procedures as well as additional reporting requirements related to specific programs in the Health Department and Department of Social Services. The goal of the additional procedures is to provide reliable data to the State Auditor who will use the data in their audit of major federal programs. The requirement for the auditors contracted by the County to perform additional procedures for the State is clearly an unfunded mandate. The cost of the additional procedures is \$2,000 annually.

#### RECOMMENDATION

Approve a \$2,000 amendment to the annual audit contract with Cherry Bekaert, LLP for the fiscal year 2014 audit.

*Celebrating Our Past...Embracing Our Future*

MELISSA C. CARDINALI  
Assistant County Manager

VICKI EVANS  
Accounting Manager



**FINANCE OFFICE**

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**MEMO FOR THE AGENDA OF THE  
OCTOBER 2, 2014 MEETING OF THE FINANCE COMMITTEE**

**TO:** FINANCE COMMITTEE MEMBERS  
**FROM:** VICKI EVANS, ACCOUNTING MANAGER *VE*  
**THROUGH:** MELISSA CARDINALI, ASSISTANT COUNTY MANAGER  
**DATE:** SEPTEMBER 23, 2014  
**SUBJECT:** MONTHLY FINANCIAL REPORT – AS OF 6/30/14 (13<sup>TH</sup> PERIOD)

**Presenter(s):** Vicki Evans, Accounting Manager

**Estimate of Committee Time Needed:** 5 Minutes

**BACKGROUND**

The financial report is included as of June 30, 2014 (13<sup>th</sup> Period). Highlights include:

- Revenues
  - Sales taxes: All 12 months of sales tax have been received and are reflected in the report. FY14 total collections are slightly higher than the final FY13 total collections.
- Expenditures
  - Expenditures for all departments remain in line with previous years and show no significant variances.

**RECOMMENDATION/PROPOSED ACTION**

No action needed – for information purposes only.

*Celebrating Our Past...Embracing Our Future*

**CUMBERLAND COUNTY REVENUE SUMMARY**

GENERAL FUND	FY2014							FY2013								
	Actual				Total	Budget	%	Actual				Total	Budget	%		
	Jul-May	June	13th	14th				Jul-May	June	13th	14th					
<b>Category 10: Ad Valorem Tax</b>																
Real, Personal, Public - Current	149,322,909	554,273	0		149,877,182	147,855,162	101.37%	145,420,293	627,154	(55,418)		145,992,029	144,802,240	100.82%		
Motor Vehicles - Current	8,400,084	1,389,870	1,425,917		11,215,871	12,694,193	88.35%	11,395,804	990,138	0		12,385,942	11,572,666	107.03%		
Motor Vehicle - Tax & Tag	7,600,846	186,762	0		7,787,608	3,000,000	259.59%	0	0	0		0	0	0.00%		
Prior Years & Other	5,476,386	233,339	0		5,709,725	5,384,025	106.05%	5,330,056	156,997	0		5,487,053	5,121,372	107.14%		
<b>Total</b>	<b>170,800,225</b>	<b>2,364,244</b>	<b>1,425,917</b>	<b>0</b>	<b>174,590,386</b>	<b>168,933,380</b>	<b>103.35%</b>	<b>162,146,153</b>	<b>1,774,289</b>	<b>(55,418)</b>	<b>0</b>	<b>163,865,024</b>	<b>161,496,278</b>	<b>101.47%</b>		
<b>Category 20: Other Taxes</b>																
Sales Tax (1¢ + Art 40 + 42+ 44+ 46)	24,223,099	3,268,564	10,252,514		37,744,177	39,384,123	95.84%	24,895,170	3,983,128	8,637,763		37,516,061	36,554,775	102.63%		
Pet Registration Fees	269,357	19,892	0		289,249	493,042	58.67%	349,849	23,076	0		372,925	350,202	106.49%		
Sales Tax Video & Telecommunications	419,860	137,617	0		557,477	597,324	93.33%	442,290	142,265	0		584,555	617,700	94.63%		
Other Taxes	1,088,016	96,572	0		1,184,588	1,047,519	113.09%	1,110,211	78,705	0		1,188,916	1,291,550	92.05%		
<b>Total</b>	<b>26,000,332</b>	<b>3,522,646</b>	<b>10,252,514</b>	<b>0</b>	<b>39,775,492</b>	<b>41,522,008</b>	<b>95.79%</b>	<b>26,797,520</b>	<b>4,227,174</b>	<b>8,637,763</b>	<b>0</b>	<b>39,662,457</b>	<b>38,814,227</b>	<b>102.19%</b>		
<b>Category 30: Unrestricted Intergovernmental</b>																
ABC Store 3.5%	426,896	0	414,390		841,286	795,056	105.81%	620,643	0	205,165		825,808	795,056	103.87%		
ABC Store Profit	1,759,059	0	(207,969)		1,551,090	1,113,192	139.34%	1,267,189	0	0		1,267,189	1,113,192	113.83%		
Fay Sales Tax Equalization-Original	1,009,194	492,892	561,954		2,064,041	2,079,581	99.25%	1,006,007	0	1,024,312		2,030,319	1,903,317	106.67%		
Fay Sales Tax Equalization	2,055,437	1,003,879	1,144,538		4,203,854	4,253,266	98.84%	2,057,130	0	2,094,271		4,151,401	4,020,973	103.24%		
Wade Sales Tax Equalization	486	237	270		993	1,001	99.16%	484	0	493		977	916	106.66%		
Eastover Sales Tax Equalization	0	0	0		0	0	0.00%	83,131	44,393	40,239		167,763	157,269	106.67%		
Stedman Sales Tax Equalization	66	33	37		136	137	99.07%	66	0	68		134	125	107.20%		
Spring Lake Sales Tax Equalization	73,112	0	303,406		376,518	321,401	117.15%	155,490	83,034	75,264		313,788	288,037	108.94%		
Godwin Sales Tax Equalization	520	534	1,102		2,156	2,173	99.23%	1,051	561	509		2,121	1,989	106.64%		
Other	1,501,732	94,526	52,562		1,648,820	1,982,556	83.17%	1,382,798	79,478	178,993		1,641,269	1,726,472	95.06%		
<b>Total</b>	<b>6,826,502</b>	<b>1,592,101</b>	<b>2,270,291</b>	<b>0</b>	<b>10,688,894</b>	<b>10,548,363</b>	<b>101.33%</b>	<b>6,573,989</b>	<b>207,466</b>	<b>3,619,314</b>	<b>0</b>	<b>10,400,769</b>	<b>10,007,346</b>	<b>103.93%</b>		
<b>Category 40: Restricted Intergovernmental</b>																
Health	4,259,057	759,186	232,259		5,250,502	5,787,048	90.73%	4,196,041	407,010	430,702		5,033,753	5,927,527	84.92%		
Mental Health Consolidation	309,205	8,525	21,359		339,089	453,258	74.81%	4,330,932	228,870	519,687		5,079,489	8,234,683	110.26%		
Social Services	34,911,407	1,980,420	5,900,254		42,792,081	44,971,911	95.15%	32,762,857	1,804,845	6,787,721		41,355,423	43,801,966	94.41%		
Library	856,248	56,386	9,637		922,271	762,178	121.00%	577,239	74,957	(149)		6,562,477	792,856	82.24%		
Child Support Enforcement	2,919,167	431,230	568,428		3,918,825	3,322,840	117.94%	2,793,877	58,092	505,820		3,357,788	3,141,266	106.89%		
Other	1,590,041	134,242	604,275		2,328,558	3,610,036	64.50%	2,160,993	161,891	192,870		2,515,574	3,256,372	77.26%		
<b>Total</b>	<b>44,845,124</b>	<b>3,369,989</b>	<b>7,336,211</b>	<b>0</b>	<b>55,551,325</b>	<b>58,907,271</b>	<b>94.30%</b>	<b>50,821,937</b>	<b>2,735,665</b>	<b>8,436,651</b>	<b>0</b>	<b>61,994,254</b>	<b>65,154,670</b>	<b>95.15%</b>		
<b>Category 50: Licenses &amp; Permits</b>																
Register of Deeds	1,455,879	140,183	0		1,596,062	1,529,150	104.38%	1,678,521	160,190	0		1,838,711	1,642,875	111.92%		
Inspections	621,398	73,795	0		695,193	555,000	125.26%	684,252	79,901	0		764,153	449,000	170.19%		
Other	0	0	0		0	0	0.00%	25,663	0	0		25,663	158,888	16.15%		
<b>Total</b>	<b>2,077,277</b>	<b>213,978</b>	<b>0</b>	<b>0</b>	<b>2,291,255</b>	<b>2,084,150</b>	<b>109.94%</b>	<b>2,388,436</b>	<b>240,091</b>	<b>0</b>	<b>0</b>	<b>2,628,527</b>	<b>2,250,763</b>	<b>116.78%</b>		
<b>Category 60: Sales &amp; Service</b>																
Animal Control	228,034	23,283	0		251,317	213,014	117.98%	235,144	19,783	1,236		256,163	180,253	142.11%		
Mental Health								2,728,213	24,602	0		2,752,815	3,107,892	88.57%		
Health Department	4,192,744	374,448	14,917		4,582,109	4,645,273	98.64%	4,608,049	348,470	7,574		4,964,093	4,118,576	120.53%		
Mental Health Clinic								247,958	42,633	45,951		336,542	3,425,609	9.82%		
Library Fees	216,624	18,797	(26)		235,395	363,452	64.77%	266,852	23,437	0		290,289	345,150	84.11%		
Sheriff Fees	2,885,923	245,487	175,100		3,306,510	3,413,955	96.85%	2,992,686	90,913	140,981		3,224,580	2,797,917	115.25%		
Social Services Fees	59,518	22,809	15,628		97,955	123,138	79.55%	78,201	7,121	16,206		101,528	120,376	84.34%		
Other	751,034	72,589	621,224		1,444,847	964,850	149.75%	625,194	176,817	479,023		1,281,034	1,049,122	122.11%		
<b>Total</b>	<b>8,333,876</b>	<b>757,413</b>	<b>826,843</b>	<b>0</b>	<b>9,918,133</b>	<b>9,723,682</b>	<b>102.00%</b>	<b>11,782,296</b>	<b>733,775</b>	<b>690,971</b>	<b>0</b>	<b>13,207,044</b>	<b>15,144,895</b>	<b>87.20%</b>		
<b>Category 70: Miscellaneous</b>																
Interest Income	142,886	31,318	4,358		178,563	110,000	162.33%	182,470	9,416	(237)		191,649	125,000	153.32%		
CFVMC	3,645,004	0	0		3,645,004	3,615,271	100.82%	3,615,271	0	0		3,615,271	3,248,440	111.29%		
Other	844,360	599,298	110,195		1,553,853	508,045	305.85%	806,114	119,541	(10,815)		914,840	763,307	119.85%		
<b>Total</b>	<b>4,632,250</b>	<b>630,616</b>	<b>114,554</b>	<b>0</b>	<b>5,377,420</b>	<b>4,233,316</b>	<b>127.03%</b>	<b>4,603,855</b>	<b>128,957</b>	<b>(11,052)</b>	<b>0</b>	<b>4,721,760</b>	<b>4,136,747</b>	<b>114.14%</b>		
<b>Subtotal Category 10-70</b>	<b>263,515,586</b>	<b>12,450,988</b>	<b>22,226,329</b>	<b>0</b>	<b>298,192,905</b>	<b>295,952,170</b>	<b>100.76%</b>	<b>265,114,186</b>	<b>10,047,417</b>	<b>21,318,229</b>	<b>0</b>	<b>296,479,838</b>	<b>297,004,926</b>	<b>99.82%</b>		
<b>Category 90: Other Financing Sources</b>																
Sale of Land & Buildings	144,937	21,058	(105,516)		60,479	32,805	184.36%	43,251	349	0		43,600	0	0.00%		
Gain/Loss	0	0	107,425		107,425	0	0.00%	0	0	(71,744)		(71,744)	0	0.00%		
Sale of Fixed Assets/Cash Proceeds	0	0	0		0	0	0.00%	143,726	0	(95,824)		47,902	79,033	60.61%		
Transfers	4,916,667	2,545,106	24,000		7,485,772	7,720,021	96.97%	7,705,378	644,939	484,324		8,834,641	8,850,272	99.82%		
Installment /Purchase Revenue	0	0	0		0	0	0.00%	3,198,130	0	0		3,198,130	3,198,130	100.00%		
Proceeds General Longterm Debt	15,280,101	0	0		15,280,101	15,280,102	100.00%	0	0	0		0	0	0.00%		
Fund Balance - Former Health	0	0	0		0	0	0.00%	0	0	0		0	0	0.00%		
Fund Balance - Communications	0	0	0		0	0	0.00%	0	0	0		0	1,203,825	0.00%		
Fund Balance Maintenance/Renovations	0	0	0		0	301,311	0.00%	0	0	0		0	175,648	0.00%		
Fund Balance - Health	0	0	0		0	788,490	0.00%	0	0	0		0	634,645	0.00%		
Fund Balance - Special	0	0	0		0	2,422,378	0.00%	0	0	0		0	2,566,982	0.00%		
Fund Balance - Mental Health Transfer	0	0	0		0	3,326,808	0.00%	0	0	0		0	1,798,216	0.00%		
Fund Balance -Economic Incentives	0	0	0		0	672,774	0.00%	0	0	0		0	666,815	0.00%		
Fund Balance - Water & Sewer	0	0	0		0	451,200	0.00%	0	0	0		0	1,015,852	0.00%		
Fund Balance Appropriated	0	0	0		0	10,544,609	0.00%	0	0	0		0	12			

**GENERAL FUND SUMMARY OF OBLIGATIONS**

GENERAL FUND	FY2014							FY2013						
	Actual					Budget	%	Actual					Budget	%
	Jul-May	June	13th	14th	Total			Jul-May	June	13th	14th	Total		
General Administration	15,033,704	1,042,101	242,231		16,318,036	18,094,899	90.18%	13,581,788	1,422,816	271,755		15,276,359	16,727,341	91.33%
Buildings & Grounds	6,056,615	427,907	75,319		6,559,841	6,951,770	94.36%	5,232,661	482,660	101,661		5,816,982	6,294,995	92.41%
General Government														
Debt Service	38,802,908	1,456,157	55,193		40,314,258	40,315,841	100.00%	23,746,934	1,569,556	0		25,316,490	25,316,493	100.00%
General Government Other	4,274,790	318,481	322,192		4,915,463	5,774,465	85.12%	9,642,649	2,891,536	30,762		12,564,947	13,993,212	89.79%
Total General Government	43,077,698	1,774,638	377,385	0	45,229,721	46,090,306	98.13%	33,389,583	4,461,092	30,762	0	37,881,437	39,309,705	96.37%
Law Enforcement														
Sheriff	27,019,818	1,956,923	280,403		29,257,143	30,129,695	97.10%	23,668,288	2,791,735	169,327		26,629,350	26,944,083	98.83%
Jail	14,365,742	1,228,538	191,408		15,785,688	15,946,022	98.99%	11,548,009	1,347,576	103,492		12,999,077	13,304,584	97.70%
Total Law Enforcement	41,385,560	3,185,460	471,811	0	45,042,832	46,075,717	97.76%	35,216,297	4,139,311	272,819	0	39,628,427	40,248,667	98.46%
Public Safety	6,619,872	607,972	123,011		7,350,855	7,614,955	96.53%	6,298,871	750,712	180,493		7,230,076	7,537,885	95.92%
Health														
Mental Health Clinic								2,523,545	286,711	57,954		2,868,210	3,425,609	83.73%
Health All Other	19,492,518	1,344,389	205,792		21,042,699	22,553,218	93.30%	16,792,298	1,909,467	127,840		18,829,605	20,418,119	92.22%
Total Health Department	19,492,518	1,344,389	205,792	0	21,042,699	22,553,218	93.30%	19,315,843	2,196,178	185,794	0	21,697,815	23,843,728	91.00%
Mental Health														
Mental Health Dept (LME)								10,731,709	46,018	42,687		10,820,414	12,059,495	89.73%
MCO								1,732,465	432,627	16,583		2,181,675	2,282,691	95.57%
Mental Health Other (County)	9,151,840	(1,527,913)	21,993		7,645,920	9,675,389	79.02%	1,518,892	75,267	21,348		1,615,507	1,666,182	96.96%
Social Services														
Social Services	33,987,861	2,677,508	503,039		37,168,408	39,443,346	94.23%	31,557,724	3,793,189	282,433		35,633,346	37,227,537	95.72%
Other DSS Programs	22,195,329	2,481,683	2,372,810		27,049,822	27,603,752	97.99%	20,651,811	2,186,220	2,200,308		25,038,339	27,581,854	90.78%
Total Social Services	56,183,190	5,159,191	2,875,849	0	64,218,230	67,047,098	95.78%	52,209,535	5,979,409	2,482,741	0	60,671,685	64,809,391	93.62%
Human Services														
Child Support Enforcement	4,252,390	328,246	41,551		4,622,187	4,712,156	98.09%	3,637,155	431,874	67,859		4,136,888	4,393,724	94.15%
Other HS Programs	375,183	22,754	1,973		399,910	407,287	98.19%	334,126	24,174	105		358,405	364,458	98.34%
Total Human Services	4,627,573	351,000	43,524	0	5,022,097	5,119,443	98.10%	3,971,281	456,048	67,964	0	4,495,293	4,758,182	94.48%
Library														
Library	9,653,966	766,201	89,256		10,509,424	10,805,937	97.26%	8,844,122	959,466	112,406		9,915,994	10,314,723	96.13%
Library Other	627,799	10,426	(2,847)		635,378	703,101	90.37%	403,596	34,686	2,626		440,908	638,795	69.02%
Total Library	10,281,765	776,627	86,409	0	11,144,802	11,509,038	96.84%	9,247,718	994,152	115,032	0	10,356,902	10,953,518	94.55%
Culture & Recreation	490,919	72,174	1,079		564,172	565,025	99.85%	424,603	15,981	1,844		442,428	476,658	92.82%
Economic Development	6,403,315	363,990	289,501		7,056,806	8,284,288	85.18%	5,406,569	644,030	1,060,735		7,111,334	7,851,232	90.58%
<b>Subtotal</b>	<b>218,804,569</b>	<b>13,577,536</b>	<b>4,813,903</b>	<b>0</b>	<b>237,196,008</b>	<b>249,581,146</b>	<b>95.04%</b>	<b>195,026,458</b>	<b>21,588,407</b>	<b>4,814,287</b>	<b>0</b>	<b>223,610,827</b>	<b>238,819,670</b>	<b>93.63%</b>
Education														
County School Current Exp	69,868,953	6,351,723	0		76,220,676	76,220,676	100.00%	69,868,953	6,351,723	0		76,220,676	76,220,676	100.00%
Goodyear Incentive	261,207	0	0		261,207	261,207	100.00%	258,604	0	0		258,604	278,012	93.02%
Sales Tax Equalization	0	0	0		0	746,777	0.00%	0	0	775,171		775,171	775,000	100.02%
FTCC Current Expense	8,756,363	796,041	0		9,552,404	9,552,404	100.00%	8,399,688	763,608	0		9,163,296	9,163,305	100.00%
FTCC PEG	47,397	0	0		47,397	46,000	103.04%	64,392	0	0		64,392	0	0.00%
FTCC Capital Outlay	282,871	143,668	0		426,539	1,064,458	40.07%	2,503,962	683,113	278,243		3,465,318	4,647,831	74.56%
Total Education	79,216,791	7,291,432	0	0	86,508,223	87,891,522	98.43%	81,095,599	7,798,444	1,053,414	0	89,947,457	91,084,824	98.75%
<b>Total General Fund</b>	<b>298,021,360</b>	<b>20,868,968</b>	<b>4,813,903</b>	<b>0</b>	<b>323,704,231</b>	<b>337,472,668</b>	<b>95.92%</b>	<b>276,122,057</b>	<b>29,386,851</b>	<b>5,867,701</b>	<b>0</b>	<b>313,558,284</b>	<b>329,904,494</b>	<b>95.05%</b>