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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: March 31, 2014

SUBJECT: Finance Committee Meeting – Thursday, April 3, 2014

There will be a regular meeting of the Finance Committee on Thursday, April 3, 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 – March 6, 2014 Regular Meeting (**Pg. 2**)
2. Medical Plan Update (**Pg. 6**)
3. Approval of the Local Town Fee Rate Increase for the Norcross Sanitary Sewer System (**Pg. 15**)
4. Consideration of An Amendment to Transportation Enhancement Grant for Transportation Museum at Aversboro Battlefield (**Pg. 19**)
5. Review of Monthly Financial Report (**Pg. 26**)
6. Other Matters of Business (**No Materials**)

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

DRAFT

CUMBERLAND COUNTY FINANCE COMMITTEE
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
MARCH 6, 2014 - 9:30 AM
MINUTES

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

OTHER COMMISSIONERS

PRESENT: Chairman Jeannette Council
Commissioner Jimmy Keefe (arrived 9:57 a.m.)
Commissioner Ed Melvin

OTHERS: James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Quentin McPhatter, Assistant County Manager
Rick Moorefield, County Attorney
Melissa Cardinali, Finance Director
Sally Shutt, Chief Public Information Director
Kelly Autry, Budget and Management Analyst
James "Chico" Silman, Risk Management Director
Rodney Jenkins, Health Department Assistant Director
Kendra Manning, Employee Wellness Coordinator
Mark Browder, Mark III Brokerage Services
Jennifer Graber, Noresco
Candice White, Clerk to the Board
Press

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – JANUARY 7, 2014 SPECIAL MEETING

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

2. UPDATE ON HEALTH INSURANCE, EMPLOYEE PHARMACY AND CLINIC

BACKGROUND:

Mark Browder, Mark III Brokerage Services, will provide an update at the March 6, 2014 meeting of the Finance Committee on health insurance, employee pharmacy and clinic. Materials will be handed out during the meeting or sent under separate cover.

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RECOMMENDATION/PROPOSED ACTION:

Receive update.

James Martin, County Manager, called on Mark Browder, Mark III Brokerage Services, to provide an update on the medical plan. Mr. Browder reported the following with regard to the performance of the medical plan:

- The county has been able to maintain the same plan design since the 2010-2011 plan year.
- For the 2011-2012 plan year, the pharmacy and clinic were implemented.
- The 2012-2013 plan trend decreased nearly 8% or a claims decrease of \$1,300,000.
- In the current 2013-2014 plan year, the claims have decreased nearly 7% or \$620,000.
- For 2013-2014 and beyond, the pharmacy and clinic have been incorporated into the medical plan budget.

Commissioner King asked Mr. Browder to account for the trending down of the 2013-2014 plan year. Mr. Browder stated positive impacts to that plan year include a combination of things such as the wellness strategies the county implemented, the employee pharmacy, some of the clinic services and just pure luck.

Mr. Browder provided the following update on the 2013-2014 plan experience:

- Active employee claims: \$518.17 per employee/retiree per month
- Pre-65 retirees: \$647.23 (more claims per participant)
- Post-65 retirees: \$260.97 per month
- Combined/aggregate: \$493.60 or trending below 7%

Mr. Browder stated when the employee clinic and pharmacy are incorporated, the county is in the black approximately \$549,080.55, which means the county is doing well this year.

Mr. Browder outlined the 2014-2015 renewal estimates or projections as follows:

- Medical and Pharmacy Net Claims: \$15,092,542.10
- Standard Trend Upward of 5%: \$16,149,020.05
- PPACA-Fee for Comparative Effective Research Agency-July 31, 2014: \$3,598.00
- Copays to Accumulate to Out of Pocket Maximum: \$301,850.84
- PPACA-Transitional Reinsurance Fee: \$226,611.00 (\$63 per member)
- Fixed Cost: \$2,671,645.20
- Pharmacy, Clinic and Wellness: \$1,200,000.00
- Renewal Calculation: \$20,549,127.09
- Cumberland County 2013-2014: \$19,272,511.55
- 2014-2015 Rate Action-Projection: 106.62% (6.62% increase)
- Dollar Change: \$1,276,615.54

Mr. Browder stated there is a 3% increase attributable to Health Care Reform costs which equates to \$532,059.84.

Mr. Browder also provided the following calculations to show how the estimated figures were achieved:

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- Standard Trend – 5% divided by 12, times the number of months (17) till the end of the plan year, times claims
- PPACA- Fee for Comparative Effectiveness Research Agency – July 31, 2014 - \$1 per member
- Copays Accumulated to Out of Pocket Maximum – 2% times claims
- PPACA – Transitional Reinsurance Fee – 2014-2016 – First Payment Due December, 2014 - \$63 per member
- Fixed Cost – Estimated Administration and Stop-loss Costs

Mr. Browder stated Mark III is currently in the process of verifying the competitiveness of the pharmacy against BCBSNC pharmacy discounts. Mr. Browder also stated over the last twelve months, the clinic has averaged approximately 1.2 patients per hour and he thinks there is an opportunity to improve that frequency and the cost efficiency. Mr. Browder further stated the best way to explore the options or available solutions is through a Request for Proposal (RFP) process.

Commissioner Faircloth inquired regarding the plan's budget implications and how it compared to the prior year. Mr. Browder stated budget implications are \$1.3 million. Amy Cannon, Deputy County Manager, explained estimate renewal costs are about the same as the prior year.

Mr. Martin stated having more patients seen at the clinic will help drive the numbers even lower; the 1.2 patients seen per hour ought to be much higher. Mr. Martin also stated the RFP will provide comparisons to determine whether the clinic is as cost effective as initially anticipated to be. Mr. Martin further stated the employee pharmacy has exceeded in terms of the volume of employees utilizing the pharmacy and the resulting savings has exceeded expectations. Mr. Browder stated the pharmacy has worked diligently to convert to generic medications, which is a cost savings to the member and the county.

Questions followed related to underutilization of the employee clinic. Mr. Martin stated it was not initially due to an unwillingness of employees to use the clinic and was most likely due to the operational philosophies of clinic staff. Mr. Martin stated the RFP will compare current costs and productivity of the clinic to that of a private business/medical business operational mindset, which may be where the issue lies. Mr. Browder stated the question is how to improve the utilization and flow through clinic services and an RFP will make a variety of solutions available to the county. Mr. Martin stated efforts have been made to address the issues although they have not been as successful as hoped.

Commissioner Faircloth inquired regarding the next step. Mr. Martin stated if the RFP process is initiated, the board will have to act to discontinue the funding to the Health Department to operate the clinic and the RFP would then be exercised by whatever means the board elects. Mr. Martin stated the RFP process will add clarity as to what needs to happen and will be initiated by Mr. Browder at no cost to the county. Mr. Browder stated he will report on the proposals at the May Finance Committee meeting.

Commissioner Council stated she views this as an overarching problem and it is alleged that people are unable to get appointments in the Health Department. Commissioner King asked

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Rodney Jenkins, Health Department Assistant Director, for his explanation. Mr. Jenkins stated he wanted to go on record that the Health Department works really hard to ensure that every employee of Cumberland County is being seen. Mr. Jenkins stated the Health Department adult care clinic is on average only able to see sixteen to eighteen patients per day with two providers, and the clinic does its best not to turn anyone away. Mr. Jenkins stated he truly believes the employee clinic is still in its infancy and he takes pride in saying he and Mr. Browder worked together in Robeson County to formulate its plan. Mr. Jenkins that was a different experience and Cumberland County is a different place. Mr. Jenkins stated that he was sure that the Health Director would ensure that the Health Department will abide by whatever decision is made by the committee, but the clinic does everything it can to see patients and produce positive outcomes.

Commissioner King asked if the Health Department had enough staff. Mr. Jenkins stated the Health Department could use another provider but he did not know whether that was feasible. Commissioner Faircloth compared the clinic's patient numbers with patients seen by private providers. Commissioner Edge stated the board is not happy with the results and he would suggest that Mr. Jenkins relay to Mr. Wilson it needs to be improved. Commissioner Edge also stated he is aware Mr. Wilson works for the Board of Health but the Board of Commissioners funds part of the department's budget. Commissioner Edge further stated he concurs with Commissioner Council that this has got to get better.

3. REVIEW OF MONTHLY FINANCIAL REPORT

Melissa Cardinali, Finance Director, provided the highlights of the financial report as of January 31, 2014 as follows:

- Revenues
 - Ad valorem taxes: collections are consistent with the prior year
 - Sales taxes: collections are slightly behind the prior year; however, the impact of holiday sales will not be known until February and March
 - Pet registration fees: 38.4% of budget has been collected for a total of \$189,139
- Expenditures
 - Expenditures remain on target with budget with no unusual patterns detected

4. OTHER MATTERS OF BUSINESS

There were no other matters of business.

There being no further business, the meeting adjourned at 10:04 a.m.

JAMES E. MARTIN
County Manager

AMY H. CANNON
Deputy County Manager



JAMES E. LAWSON
Assistant County Manager

QUENTIN T. McPHATTER
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMORANDUM FOR THE AGENDA OF THE
APRIL 3, 2014 MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS

FROM: AMY H. CANNON, DEPUTY COUNTY MANAGER *ah*

DATE: MARCH 27, 2014

SUBJECT: MEDICAL PLAN UPDATE

Requested By: Amy H. Cannon

Presenter: Mark E. Browder, Mark III Brokerage, Inc.

Estimate of Committee Time Needed: 20 Minutes

BACKGROUND

Mr. Mark Browder will be providing a Medical Plan Update to the Finance Committee at the April 3, 2014 Finance Committee Meeting. The update will include a review of wellness and clinic goals in order to better serve our employees. Our goal is to create employee health accountability through a comprehensive wellness solution. The goals were originally discussed at the January 3, 2013 Finance Committee Meeting. The minutes for that meeting are attached for review.

RECOMMENDATION/PROPOSED ACTION

Accept the recommendations of Mark III Brokerage in order to provide the County with a comprehensive wellness solution that will provide a strategy for continued health improvement in the County's wellness plan.

CM032714-1



MEDICAL PLAN UPDATE

Revised Wellness and Clinic Goals



April 3, 2014



- The Cumberland County Wellness program is a dynamic and organic program, designed to improve the health of the employees at Cumberland County.
- The goals and standards of the program may need to be flexible.
- The ultimate goal of employee health improvement remains in place.
- Accountability is an integral part of achieving overall employee health improvement.



- Since the program was created in the Spring of 2013, several environmental factors have occurred, that require adjustments to the program.

- Federal Wellness rules have changed.

Using the physician solely as the alternate standard to qualify, is no longer allowed.

- Cape Fear Hospital System was uncomfortable tracking and reporting biometric results.
- The glucose biometric goal is being re-evaluated.



- Given these structural challenges, a resetting of the program is required.
- In addition to reviewing clinic options, reviewing potential wellness partners will be part of this review process.
- Coming out of this bid process, the core partner will be identified and engaged.



- The Spring 2014 screening will be deferred.
- Accountability standards will be re-engaged in the future, as a strategy for continued health improvement.
- In the end, the County needs an integrated partner, who is willing to support and efficiently facilitate the County's wellness goals.



RECOMMENDATION AND PROPOSED ACTION:

Community Development recommends approval of the Affordable Housing Resale and Recapture Guidelines as presented for compliance with HOME Program requirements.

F. Update on Cumberland County Medical Plan and Future Wellness Strategy

BACKGROUND:

Mark Browder with Mark III Brokerage gave a presentation to the Finance Committee on the Cumberland County medical insurance plan which included a future wellness strategy. Background information was provided regarding our claims experience for the year ended June 30, 2012. Claims were up about 11% but based on the funding strategy for that year, the fund ended up in a break-even position.

Information was presented on the FY12 plan experience regarding the county's risk score of 1.87 compared to the Blue Cross/Blue Shield (BCBS) book of business average score of 1.18. This difference indicates that the county employees and covered dependents have health issues that need to be addressed. The top three episodes for claims were identified as Hypertension, Diabetes and Heart Disease, which are all driven, in some part, by individual behavior. Obesity trends over a 20 year period were included as a basis of the high risk factor score. Based on these facts, Mr. Browder has recommended that we improve the health of our employee population through consumerism and employee accountability. It was noted that other factors such as access to health care, genetics, and environment were attributable to the health of our covered population. Behavior however, is the number one driver in healthcare utilization and improved behavior will have a positive impact on the healthcare plan.

Mr. Browder outlined accountability strategies for the 2014-2015 plan years. These strategies require that employees not only participate in the wellness program to qualify for reduced healthcare premiums; they must also meet 3 out of 4 risk factor categories. These factors are waist circumference, blood pressure, cholesterol ratio and hemoglobin levels. Employees must meet certain thresholds or make improvement to retain the discounted premium. Per Mr. Browder, these thresholds are reasonable and attainable and should motivate employees to place greater emphasis on their health status. Additionally, it was recognized that there will be employees that will legitimately not meet the standards, and a system will be developed to set alternative standards through the individual's personal physician. These standards will not be implemented until July 1, 2014. The biometrics obtained this spring will provide the baseline for measurement in the following year. This will allow an opportunity for employees to be notified and educated on these new principles.

The Finance Committee approved moving forward with these accountability measures since changes in healthcare will continue to occur. If the status of employee health does not improve, claims will continue to rise, therefore resulting in an erosion of health benefits which will further exacerbate the health status of our population.

RECOMMENDATION / PROPOSED ACTION:

Accept the report and recommendation of the Finance Committee and move forward with the development of accountability measures to be effective July 1, 2014 through the annual biometrics testing.

G. Approval of Ordinance Assessing Property for the Cost of Demolition:

- (1) Case Number: MH 6781-2012
Property Owner: Joseph R. Thompson
Property Location: 6823 Cooper's Creek Drive, Hope Mills, NC
Parcel Identification Number: 0431-79-1751

ORDINANCE ASSESSING PROPERTY FOR THE COSTS
OF DEMOLITION OF A STRUCTURE PURSUANT TO
THE MINIMUM HOUSING CODE OF CUMBERLAND COUNTY
CASE NUMBER: MH 6781-2012
PROPERTY OWNER: Joseph Thompson

WHEREAS, the Board of County Commissioners of Cumberland County, North Carolina, on September 17, 2012, enacted an ordinance directing the demolition by the owner(s) of the structure(s) Joseph Thompson, located at 6823 Cooper's Creek, Hope Mills, NC, PIN: 0431-79-1751, said ordinance being recorded in Book 9001, page 595, of the Cumberland County Registry of Deeds;

WHEREAS, the time within which said demolition was to be performed has expired and the owner(s) failed to comply with the ordinance within such period; and

WHEREAS, the said ordinance further directed the Minimum Housing Inspector to effect the demolition of the structure(s) in the event the owner(s) failed to do so;

WHEREAS, the Minimum Housing Inspector has reported to this Board that:

- (1) Said work had been accomplished.
- (2) The cost of such work was \$1,200.00.
- (3) There were no salable materials resulting from said work.

NOW THEREFORE, the above report coming on to be considered and the Board of County Commissioners' finding it to be a true and accurate accounting, the said Board hereby ORDAINS:

- (1) That the real property on which the work was performed be, and it hereby is, assessed in the amount of \$1,200.00, said sum being the unpaid balance of the cost of the work set forth in the Inspector's Report;

- (2) That as provided in the Ordinance of Cumberland County dated September



**ENGINEERING & INFRASTRUCTURE DEPARTMENT
PUBLIC UTILITIES DIVISION**

**MEMO FOR THE AGENDA OF THE APRIL 3, 2014
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: JEFFERY BROWN, E & I DIRECTOR
THROUGH: JAMES E. MARTIN, COUNTY MANAGER
DATE: MARCH 24, 2014

**SUBJECT: APPROVAL OF THE LOCAL TOWN FEE RATE INCREASE FOR
THE NORCRESS SANITARY SEWER SYSTEM**

Requested by: AMY HALL, ADMINISTRATIVE PROGRAM OFFICER
Presenter(s): JEFFERY BROWN, E & I DIRECTOR
Estimate of Committee Time Needed: 10 MINUTES

BACKGROUND:

There was a meeting of the NORCRESS Advisory Board and it was brought to the Public Utilities Division's attention that the Local Town Fee has not been increased since 2007. The Local Town Fee is used to defray the administrative costs incurred by the Towns of Godwin, Falcon and Wade for billing the NORCRESS customers. There have been increases in the cost of postage, printing, paper, etc., but the Local Town Fee has not increased to cover these costs.

The NORCRESS Advisory Board suggested the Local Town fee be increased from \$1.50 per customer per month to \$1.75 per customer per month.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director, the NORCRESS Advisory Board and County Management recommend that the Finance Committee recommend to the NORCRESS Governing Board the new Local Town fee of \$1.75 per customer per month.

NORCRESS Sanitary Sewer Rate Schedule

MONTHLY RATE

The monthly rate shall be the sum of the Usage Charge, Debt Charge and the Basic Facilities Charges.

RESIDENTIAL SANITARY SEWER RATE SCHEDULE

Usage Charge (Usage Charges per 1,000 gallons = 1 MGAL)	\$6.50 per MGAL
Debt Charge	\$9.65 per customer
<u>Basic Facilities Charges:</u>	

<u>Meter Size:</u>	<u>NORCRESS</u>	<u>Local Town Fee</u>	<u>Lift Station Maintenance Fee</u>
5/8"	\$1.58	\$1.75	\$2.00
3/4"	\$1.58	\$1.75	\$2.00
1"	\$2.26	\$1.75	\$2.00
1 1/2"	\$3.20	\$1.75	\$2.00
2"	\$5.78	\$1.75	\$2.00
3"	\$9.89	\$1.98	\$2.00
4"	\$15.59	\$2.83	\$2.00
6"	\$29.70	\$4.95	\$2.00
8"	\$46.70	\$7.50	\$2.00

COMMERCIAL SANITARY SEWER RATE SCHEDULE

Usage Charge	\$7.00 per MGAL
Debt Charge	\$1.00 per MGAL
<u>Basic Facilities Charges:</u>	

<u>Meter Size:</u>	<u>NORCRESS</u>	<u>Local Town Fee</u>	<u>Lift Station Maintenance Fee</u>
3/4"	\$1.58	\$1.75	\$1.00 per MGAL
1"	\$2.26	\$1.75	\$1.00 per MGAL
1 1/2"	\$3.20	\$1.75	\$1.00 per MGAL
2"	\$5.78	\$1.75	\$1.00 per MGAL
3"	\$9.89	\$1.98	\$1.00 per MGAL
4"	\$15.59	\$2.83	\$1.00 per MGAL
6"	\$29.70	\$4.95	\$1.00 per MGAL
8"	\$46.70	\$7.50	\$1.00 per MGAL

NORCRESS Sanitary Sewer Rate Schedule

FLAT RATE SANITARY SEWER SERVICE

The monthly flat rate shall be the sum of the Flat Monthly Charge, Debt Charge and the Basic Facilities Charges.

Flat Monthly Charge	\$31.42
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OTHER FEES

Deposit	\$100.00
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Late Penalty	\$10.00
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Reconnect Fee- Business hours (Administrative charge to re-establish service after discontinuance for non-payment)	\$25.00
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After-Hours Reconnect Fee (Available until 9:00 pm)	\$75.00
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*Returned Check Fee (Amount of check plus return fee - CASH, MONEY ORDER OR CERTIFIED CHECK ONLY)	\$25.00
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Court Costs	Actual
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Elder Valve	\$1,000.00
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CONNECTION FEES AND CHARGES

1. Standard Tap Fee:

The Standard Tap Fee will be based on the customer's water meter size and will provide NORCRESS Water and Sewer District with funds for long-term system replacement and upgrade.

<u>Size of Water Meter</u>	<u>Standard Tap Fee</u>
5/8"	\$670.00
1"	\$1,670.00
1-1/2"	\$3,350.00
2"	\$5,360.00
3"	\$11,720.00
4"	\$20,100.00
6"	\$41,880.00
8"	\$60,310.00

2. Sewer Laterals:

An estimate shall be given to the applicant prior to installation and shall be paid by the applicant prior to any installation of laterals to be connected to the sewer system. All charges include labor, equipment and materials required for the installation of the specified pipe size or sizes.

NORCRESS Sanitary Sewer Rate Schedule

3. Main Extension Charges:

An estimate shall be given to the applicant prior to installation and shall be paid by the applicant prior to extending the main in the sewer district. All charges include labor, equipment and materials required for the installation of the specified pipe size or sizes.

4. Debt Charge:

A Debt Charge equaling the sum of the Availability Charges that would have been paid had the customer connected when the main was first available.

RICKEY L. MOOREFIELD
County Attorney



PHYLLIS P. JONES
Assistant County Attorney

OFFICE OF THE COUNTY ATTORNEY

5th Floor, New Courthouse • PO Box 1829 • Suite 551 • Fayetteville, North Carolina 28302-1829
(910) 678-7762

**MEMO FOR THE AGENDA OF THE APRIL 3, 2014
MEETING OF THE FINANCE COMMITTEE**

TO: Finance Committee; Co. Manager; Interim Co. Manager
FROM: Co. Atty. *R. Moorefield*
DATE: March 28, 2014
SUBJECT: Consideration of Amendment to Transportation Enhancement Grant for
Transportation Museum at Averagesboro Battlefield

Requested by: County Manager

Estimate of Committee Time Needed: 5 mins.

BACKGROUND:

On May 1, 2000, the Board of Commissioners approved the County's participation in a grant agreement among the County, the Averagesboro Battlefield Commission, Inc., and NCDOT for the restoration or preservation of historic elements of the Battlefield. The Battlefield Commission agreed to provide matching funds and manage the project. The County obligated to assure that all grant requirements were met. Budget revisions B05-267 and B05-267A were approved on February 7, 2005 to establish a separate fund for the grant funds received for this project in prior years. In the fall of 2013, the Battlefield Commission reported that it could not complete the project. The County, the Battlefield Commission, NCDOT and the Federal Highway Administration have engaged in discussions since that time to resolve the issues created by non-completion.

The attached Supplemental Agreement was negotiated by the parties. The Supplemental Agreement changes the scope of the project from developing a transportation museum to developing a scenic byway through the Battlefield Site. The Battlefield Commission is obligated to sell the William Smith House through The Historic Preservation Foundation of North Carolina. The County is obligated to move the historic markers and prepare a driveway and parking site for the relocation of the markers. Bobby Howard has inspected the site and has determined that his crew can do this work. The County will remain obligated to maintain the marker site. If the terms of the Supplemental Agreement are met, the County will be relieved of any liability for the repayment of the grant funds.

RECOMMENDATION/PROPOSED ACTION:

County Manager and County Attorney recommend approval of the Supplemental Agreement.

NORTH CAROLINA
CUMBERLAND COUNTY

SUPPLEMENTAL AGREEMENT

DATE: 03/11/2014

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION

TIP #: E-4768

AND

WBS ELEMENTS: PE 36359.1.1

ROW _____

AVERASBORO BATTLEFIELD
COMMISSION, INC.

CON 36359.3.1

AND

OTHER FUNDING: _____

FEDERAL-AID #: STP-000S(387)

CUMBERLAND COUNTY

CFDA #: 20.205

TOTAL SUPPLEMENTAL FUNDS [NCDOT PARTICIPATION] \$0

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department," the Averbosboro Battlefield Commission, Inc., hereinafter referred to as "ABCI," and "Cumberland County," hereinafter referred to as the "County."

WITNESSETH:

WHEREAS, the Department, ABCI, and the County, on 10/30/2003, entered into a certain Locally Administered Project Agreement for the original scope: acquiring, moving, and rehabilitating the historic Oak Grove Plantation House, a component of the Averbosboro Battlefield view shed, programmed under Project E-4768; and,

WHEREAS, on 1/13/2005, the Department approved a modification to the scope to allow the purchase of the William Smith House (in lieu of the Oak Grove Plantation House) located near the intersection of NC 82 and SR 1801 (Ross West Road) in Cumberland County and its future rehabilitation into a transportation museum with a useful life of twenty-five (25) years; and,

WHEREAS, ABCI successfully purchased the property, provided immediate stabilization, and engaged an architect to draft full rehabilitation plans; and,

WHEREAS, ABCI and the County have been unable to complete the remaining phases of the Project due to a lack of Transportation Enhancement funding and, therefore, are unable to commit to long-term maintenance of the Project in accordance with the terms of the useful life; and,

WHEREAS, ABCI has requested clarification on their responsibilities under the terms of the Agreement; and,

WHEREAS, the Department has consulted with the Federal Highway Administration (FHWA) to clarify ABCI's and the County's responsibilities under the terms of the original Agreement; and,

WHEREAS, FHWA has agreed that the work completed to date – purchase of the William Smith House with a 3-acre parcel of land, immediate stabilization, and development of plans for rehabilitation – meets the eligibility requirement of two other Transportation Enhancement categories: 1) Acquisition of Scenic Easements and Scenic or Historic Sites and 2) Scenic or Historic Highway Program;

WHEREAS, FHWA has also requested that ABCI and the County undertake additional stipulations to ensure compliance with federal guidelines that address useful life in lieu of full repayment of expended funds;

NOW THEREFORE, the parties wish to amend the aforementioned Agreement whereby the following provisions are amended and further commitments are made:

SCOPE and RESPONSIBILITIES

The William Smith House will not be used as a transportation museum, but ABCI will place protective covenants on the property and will have the opportunity to market and sell the property for appropriate reuse, in accordance with the following stipulations:

1. ABCI shall subdivide the three (3.00) acres, on which the William Smith House currently sits, into two parcels: one will consist of one (1.00) acre +/- on the western side of the current three-acre tract. The remaining parcel will consist of two (2.00) acres +/- and will contain the William Smith House. ABCI shall survey and properly record both parcels in the public record.

One (1.00) acre +/- Monument Tract:

ABCI and/or the County will relocate the historical marker, which is currently installed adjacent to the William Smith House, to this parcel to allow ongoing and continuous public access. ABCI and/or the County shall further prepare Monument Tract for a driveway and parking in accordance with the Department standards. ABCI shall place a covenant on this property to maintain, at a minimum, an unobstructed view shed between the marker and the William Smith House, from NC 82 along SR 1801 (Ross West Road).

Two (2.00) acre +/- William Smith House Tract:

- In the event of sale of the William Smith House Tract and at the point of transfer, ABCI will place preservation covenants on the house and the associated two-acre parcel, to run with the land in perpetuity. ABCI will work with *The Historic Preservation Foundation of North Carolina* (Preservation NC) to find an appropriate buyer, capable of maintaining and renovating the William Smith House and property in accordance with *The Secretary of Interior's Standards for Rehabilitation*.
 - Any proceeds from the sale of the property (sales price less any Preservation NC sales-related expenses) will be allocated in the same way that Transportation Enhancement funding was originally provided for the project. ABCI and the County shall reimburse the Department 80% of any proceeds of the sale and retain the remaining 20%.
 - ABCI shall provide a set of the plans (revised February 16, 2010) for rehabilitation of the William Smith House for use by the new owner.
2. ABCI and/or the County will consult with all interested parties to determine the appropriate covenants to place on the Property. The Department will have the opportunity to review and comment on any proposed covenants for the long-term maintenance and preservation of the historic aspects of both the one-acre +/- Monument Tract and two-acre +/- William Smith House Tract.
3. ABCI and/or the County will continue to provide short-term maintenance on the William Smith House and property to include insurance and grounds maintenance until the William Smith House Tract is transferred to a new owner. ABCI and/or the County will continue to provide maintenance for any remaining part of the property that is retained by ABCI and/or the County, including the Monument Tract.

TIMING

All work, to include final covenants, transfer of the William Smith House Tract, division of property and relocation of historical markers, as needed, will occur within three (3) years of the date of execution of this Supplemental Agreement.

If this deadline is met, the Department will consider that the terms of the Agreements have been met and no repayment of Enhancement funds by ABCI or the County will be required. If this deadline is not met, the Department will consider an extension of time for ABCI and the County to meet the terms of the Agreement.

Except as hereinabove provided, the Agreement heretofore executed by the North Carolina Department of Transportation, Averaasboro Battlefield Commission, Inc., and Cumberland County on 10/30/2003, and the Project Scope Modification Letter of 1/13/2005, are ratified and affirmed as therein provided.

IN WITNESS WHEREOF, this Agreement has been executed, in triplicate, the day and year heretofore set out, on the part of the North Carolina Department of Transportation, the Averagesboro Battlefield Commission, Inc., and Cumberland County by authority duly given.

ATTEST: AVERASBORO BATTLEFIELD COMMISSION, INC.

BY: _____ BY: _____

TITLE: _____ TITLE: _____

DATE: _____ DATE: _____

NCGS 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

Federal Tax Identification Number

Remittance Address:

Averagesboro Battlefield Commission, Inc.

ATTEST:

CUMBERLAND COUNTY

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

NCGS 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

(SEAL)

(FINANCE OFFICER)

Federal Tax Identification Number

Remittance Address:

Cumberland County

DEPARTMENT OF TRANSPORTATION

BY: _____

(CHIEF ENGINEER)

DATE: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (Date)

MELISSA C. CARDINALI
Finance Director



FINANCE OFFICE

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

**MEMO FOR THE AGENDA OF THE
MARCH 6, 2014 MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE
FROM: MELISSA C. CARDINALI, FINANCE DIRECTOR
DATE: MARCH 26, 2014 *mc*
SUBJECT: MONTHLY FINANCIAL REPORT – AS OF 2/28/14

Presenter(s): Melissa C. Cardinali, Finance Director

Estimated of Committee Time Needed: 5 Minutes

BACKGROUND

The financial report is included as of February 28, 2014. Highlights include:

- Revenues
 - Ad valorem taxes: collections are consistent with the prior fiscal year
 - Sales taxes: collections are currently 4% behind the prior year. At the existing pace revenue could be \$2,300,000 less than budget. We will continue to monitor as we expect a positive impact from internet sales beginning with the April distribution.
 - Pet registration fees: 43.6% of budget has been collected as of February 28.
- Expenditures
 - Expenditures remain in line with budget and show no unusual patterns

RECOMMENDATION

No action needed – for information purposes only.

Celebrating Our Past...Embracing Our Future

GENERAL FUND SUMMARY OF OBLIGATIONS

GENERAL FUND	FY2014							FY2013						
	Actual				Total	Budget	%	Actual				Total	Budget	%
	Jul-Dec	Jan	Feb	March				Jul-Dec	Jan	Feb	March			
General Administration	8,691,796	911,637	1,688,484		11,291,917	18,054,704	62.54%	8,387,424	991,658	957,058		10,336,140	16,118,227	64.13%
Buildings & Grounds	4,213,826	474,047	365,651		5,053,523	6,766,668	74.68%	3,853,977	239,853	239,188		4,333,018	6,085,548	71.20%
General Government														
Debt Service	13,938,396	0	19,315,191		33,253,587	40,411,383	82.29%	13,890,220	(16,893)	3,937,475		17,810,802	25,316,493	70.35%
General Government Other	3,229,466	17,755	12,263		3,259,484	5,959,645	54.69%	4,791,137	2,291,774	26,366		7,109,277	13,978,932	50.86%
Total General Government	17,167,862	17,755	19,327,454	0	36,513,071	46,371,028	78.74%	18,681,357	2,274,881	3,963,841	0	24,920,079	39,295,425	63.42%
Law Enforcement														
Sheriff	15,705,581	1,959,826	2,021,418		19,686,825	29,746,974	66.18%	13,854,478	2,102,662	1,924,789		17,881,929	26,777,083	66.78%
Jail	7,764,694	1,281,977	1,163,940		10,210,611	16,296,022	62.66%	6,755,485	1,043,620	841,855		8,640,960	13,224,584	65.34%
Total Law Enforcement	23,470,275	3,241,804	3,185,358	0	29,897,436	46,042,996	64.93%	20,609,963	3,146,282	2,766,644	0	26,522,889	40,001,667	66.30%
Public Safety	3,778,758	580,793	527,604		4,887,155	7,413,647	65.92%	3,447,386	628,143	456,241		4,531,770	7,406,468	61.19%
Health														
Mental Health Clinic								1,650,514	181,220	187,009		2,018,743	3,425,609	58.93%
Health All Other	11,591,879	1,329,860	1,324,817		14,246,556	22,199,381	64.18%	11,000,507	975,841	1,120,618		13,096,966	19,805,887	66.13%
Total Health Department	11,591,879	1,329,860	1,324,817	0	14,246,556	22,199,381	64.18%	12,651,021	1,157,061	1,307,627	0	15,115,709	23,231,496	65.07%
Mental Health														
Mental Health Dept (LME)								8,357,471	1,189,253	381,402		9,928,126	11,602,645	85.57%
MCO								19,947	284,708	764,036		1,068,691	2,282,691	46.82%
Mental Health Other (County)	6,991,418	18,825	103,207		7,113,450	9,610,389	74.02%	0	32,162	1,195,932	0	1,228,094	1,562,392	78.60%
Social Services														
Social Services	18,274,809	2,763,584	2,746,205		23,784,598	39,203,780	60.67%	17,349,631	2,610,531	2,617,100		22,577,262	37,227,537	60.65%
Other DSS Programs	11,057,979	2,100,574	2,148,410		15,306,963	27,596,072	55.47%	9,941,452	2,035,824	2,102,652		14,079,928	27,581,854	51.05%
Total Social Services	29,332,788	4,864,158	4,894,615	0	39,091,561	66,799,852	58.52%	27,291,083	4,646,355	4,719,752	0	36,657,190	64,809,391	56.56%
Human Services														
Child Support Enforcement	2,483,664	287,784	306,331		3,077,779	4,656,656	66.09%	2,185,336	293,313	292,153		2,770,802	4,393,724	63.06%
Other HS Programs	221,769	25,295	27,454		274,518	407,287	67.40%	179,555	26,674	26,825		233,054	355,392	65.58%
Total Human Services	2,705,433	313,079	333,785	0	3,352,297	5,063,943	66.20%	2,364,891	319,987	318,978	0	3,003,856	4,749,116	63.25%
Library														
Library	5,717,230	599,602	632,333		6,949,165	10,805,937	64.31%	5,451,305	633,413	780,471		6,865,189	10,314,723	66.56%
Library Other	444,023	56,483	15,763		516,269	701,101	73.64%	183,531	10,063	18,113		211,707	439,400	48.18%
Total Library	6,161,253	656,085	648,096	0	7,465,434	11,507,038	64.88%	5,634,836	643,476	798,584	0	7,076,896	10,754,123	65.81%
Culture & Recreation	368,599	371	0		368,970	565,025	65.30%	333,380	25,842	28		359,250	448,212	80.15%
Economic Development	4,011,947	605,988	440,419		5,058,354	8,266,605	61.19%	3,361,053	621,815	378,955		4,361,823	7,755,558	56.24%
Subtotal	111,494,416	12,995,577	32,736,283	0	157,226,275	248,661,276	63.23%	114,993,789	15,884,606	16,288,298	0	148,215,437	236,102,959	62.78%
Education														
County School Current Exp	38,110,338	6,351,723	6,351,723		50,813,784	76,220,676	66.67%	38,110,338	6,351,723	6,351,723		50,813,784	76,220,676	66.67%
Goodyear Incentive	0	261,207	0		261,207	261,207	100.00%	0	258,604	0		258,604	278,012	93.02%
Sales Tax Equalization	0	0	0		0	746,777	0.00%	0	0	0		0	775,000	0.00%
FTCC Current Expense	4,776,198	796,033	796,033		6,368,264	9,552,404	66.67%	4,581,648	763,608	763,608		6,108,864	9,163,305	66.67%
FTCC PEG	0	0	0		0	46,000	0.00%	0	0	0		0	0	0.00%
FTCC Capital Outlay	282,871	0	0		282,871	1,064,458	26.57%	498,240	17,238	11,227		526,705	4,647,831	11.33%
Total Education	43,169,407	7,408,963	7,147,756	0	57,726,126	87,891,522	65.68%	43,190,226	7,391,173	7,126,558	0	57,707,957	91,084,824	63.36%
Total General Fund	154,663,823	20,404,539	39,884,039	0	214,952,401	336,552,798	63.87%	158,184,015	23,275,779	23,414,856	0	205,923,394	327,187,783	62.94%

CUMBERLAND COUNTY REVENUE SUMMARY

GENERAL FUND	FY2014							FY2013						
	Actual				Total	Budget	%	Actual				Total	Budget	%
	Jul-Dec	Jan	Feb	March				Jul-Dec	Jan	Feb	March			
Category 10: Ad Valorem Tax														
Real, Personal, Public - Current	119,593,487	23,223,772	3,273,388		146,090,647	147,855,162	98.81%	114,670,511	23,920,295	3,260,876		141,851,682	144,802,240	97.96%
Motor Vehicles - Current	6,033,882	505,592	377,593		6,917,067	12,894,193	54.49%	5,744,717	1,058,651	1,184,730		7,988,098	11,572,666	69.03%
Motor Vehicle - Tax & Tag	2,377,240	1,050,756	1,086,416		4,514,412	3,000,000	150.48%	340,417	390,709	534,808		1,265,934	0	0.00%
Prior Years & Other	3,557,727	532,820	473,326		4,563,873	5,384,025	84.77%	2,993,278	0	0		2,993,278	5,121,372	58.45%
Total	131,562,336	25,312,940	5,210,723	0	162,085,999	168,933,380	95.95%	123,748,923	25,369,655	4,980,414	0	154,098,978	161,496,278	95.42%
Category 20: Other Taxes														
Sales Tax (1¢ + Art 40 + 42 + 44 + 46)	8,995,069	3,045,787	3,053,408		15,094,264	39,384,123	38.33%	9,743,500	2,686,103	3,109,908		15,539,511	36,554,775	42.51%
Pet Registration Fees	170,771	18,368	13,113		202,252	493,042	41.02%	0	0	0		0	350,202	0.00%
Sales Tax Video & Telecommunications	282,379	0	0		282,379	597,324	47.27%	298,662	0	0		298,662	617,700	48.35%
Other Taxes	416,330	41,790	42,862		500,982	1,047,519	47.83%	674,309	100,161	85,287		859,757	1,291,550	66.57%
Total	9,864,549	3,105,944	3,109,383	0	16,079,876	41,522,008	38.73%	10,716,471	2,786,264	3,195,195	0	16,697,930	38,814,227	43.02%
Category 30: Unrestricted Intergovernmental														
ABC Store 3.5%	194,042	232,854	0		426,896	795,056	53.69%	189,420	230,522	0		419,942	795,056	52.82%
ABC Store Profit	727,517	278,024	0		1,005,541	1,113,192	90.33%	360,047	409,137	0		769,184	1,113,192	69.10%
Fay Sales Tax Equalization-Original	0	0	497,374		497,374	2,079,581	23.92%	0	518,626	0		518,626	1,903,317	27.25%
Fay Sales Tax Equalization	0	0	1,013,007		1,013,007	4,253,266	23.82%	0	1,060,436	0		1,060,436	4,020,973	26.37%
Wade Sales Tax Equalization	0	0	239		239	1,001	23.88%	0	250	0		250	916	27.29%
Eastover Sales Tax Equalization	0	0	0		0	0	0.00%	0	42,853	0		42,853	157,269	27.25%
Stedman Sales Tax Equalization	0	0	33		33	137	24.09%	0	34	0		34	125	27.20%
Spring Lake Sales Tax Equalization	0	0	73,112		73,112	321,401	22.75%	0	0	0		0	288,037	0.00%
Godwin Sales Tax Equalization	0	0	520		520	2,173	23.93%	0	0	0		0	1,989	0.00%
Other	2,262,706	280,475	(1,260,789)		1,282,393	1,982,556	64.68%	626,396	333,537	40,303		1,000,236	1,726,472	57.94%
Total	3,184,265	791,352	323,497	0	4,299,114	10,548,363	40.76%	1,175,863	2,552,542	83,156	0	3,811,561	10,007,346	38.09%
Category 40: Restricted Intergovernmental														
Health	2,063,961	389,017	582,324		3,035,302	5,784,135	52.48%	2,235,003	565,280	294,787		3,095,068	5,914,157	52.33%
Mental Health Consolidation	140,377	60,302	22,259		222,938	453,258	49.19%	6,007,590	1,340,181	411,355		7,759,127	7,777,833	99.76%
Social Services	15,717,515	3,379,372	3,620,536		22,717,423	44,752,859	50.76%	13,157,638	3,132,012	5,757,489		22,047,136	43,801,966	50.33%
Library	545,531	114,263	46,223		706,017	762,178	92.63%	341,377	42,512	49,579		433,468	593,461	73.04%
Child Support Enforcement	1,403,494	251,175	288,913		1,943,582	3,286,210	59.14%	1,124,944	270,167	591,013		1,986,123	3,141,266	63.23%
Other	682,109	83,055	85,980		851,144	3,631,774	23.44%	1,004,422	166,292	240,803		1,411,517	3,218,717	43.85%
Total	20,552,987	4,277,184	4,646,236	0	29,476,407	58,670,414	50.24%	23,870,974	5,516,444	7,345,026	0	36,732,439	64,447,400	57.00%
Category 50: Licenses & Permits														
Register of Deeds	832,977	117,822	110,010		1,060,809	1,529,150	69.37%	896,452	143,569	152,367		1,192,388	1,642,875	72.58%
Inspections	309,752	40,127	48,780		398,658	555,000	71.83%	316,072	74,993	82,092		473,158	449,000	105.38%
Other	0	0	0		0	0	0.00%	25,653	0	0		25,653	158,888	16.15%
Total	1,142,729	40,127	158,790	0	1,459,467	2,084,150	70.03%	1,238,187	218,562	234,459	0	1,691,209	2,250,763	75.14%
Category 60: Sales & Service														
Animal Control	126,954	17,099	19,478		163,531	213,014	76.77%	122,175	20,909	20,764		163,847	180,253	90.90%
Mental Health								2,307,704	545	0		2,308,249	3,107,892	74.27%
Health Department	2,506,918	396,750	335,382		3,239,050	4,478,113	72.33%	2,795,295	334,796	358,269		3,488,356	3,950,882	88.29%
Mental Health Clinic								188,627	20,138	4,777		213,541	3,425,609	6.23%
Library Fees	108,322	19,297	22,811		150,429	348,000	43.23%	150,668	25,209	26,701		202,575	345,150	58.69%
Sheriff Fees	1,391,292	117,668	295,446		1,804,406	3,413,955	52.85%	1,447,228	235,063	826,693		2,508,984	2,797,917	89.67%
Social Services Fees	28,610	2,815	8,751		40,176	114,460	35.10%	29,332	5,805	17,622		52,759	120,376	43.83%
Other	355,167	126,007	75,586		556,760	972,576	57.25%	292,969	146,241	44,957		484,167	1,049,122	46.15%
Total	4,517,263	679,635	757,454	0	5,954,352	9,540,118	62.41%	7,333,998	788,706	1,299,783	0	9,422,478	14,977,201	62.91%
Category 70: Miscellaneous														
Interest Income	92,112	16,222	7,966		116,320	110,000	105.75%	61,949	27,692	15,397		105,038	125,000	84.03%
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	486,305	57,575	42,185		586,065	444,629	131.81%	436,417	79,337	136,602		652,356	752,627	86.68%
Total	4,223,421	73,796	50,171	0	4,347,388	4,169,900	104.26%	4,113,637	107,029	151,999	0	4,372,665	4,126,067	105.98%
Subtotal Category 10-70	175,047,550	34,280,978	14,256,253	0	223,702,603	295,468,333	75.71%	172,198,053	37,339,202	17,290,032	0	226,827,274	296,119,282	76.60%
Category 90: Other Financing Sources														
Sale of Land & Buildings	63,875	5,670	5,917		75,462	32,805	0.00%	34,405	0	8,693		43,098	0	0.00%
Gain/Loss	0	0	0		0	0	0.00%	0	0	0		0	0	0.00%
Sale of Fixed Assets/Cash Proceeds	0	0	0		0	0	0.00%	96,440	0	0		96,440	79,033	122.02%
Transfers	1,064,415	0	0		1,064,415	7,726,414	13.78%	4,846,725	26,502	0		4,873,227	8,470,448	57.53%
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	0	0	15,280,101		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	638,490	0.00%	0	0	0		0	538,477	0.00%
Fund Balance - Special	0	0	0		0	2,422,378	0.00%	0	0	0		0	2,501,674	0.00%
Fund Balance - Mental Health Transfer	0	0	0		0	3,301,808	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	500,000	0.00%	0	0	0		0	931,352	0.00%
Fund Balance Appropriated	0	0	0		0	10,208,383	0.00%	0	0	0		0	11,504,883	0.00%
Total	1,128,290	5,670	15,286,018	0	16,419,978	41,084,465		8,175,700	26,502	8,693	0	8,210,895	31,068,501	
Total General Fund	176,175,840	34,286,648	29,542,271	0	240,122,581	336,552,798		180,373,753	37,365,704	17,298,725	0	235,038,169	327,187,783	