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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 Adams, Faircloth and Keefe)
FROM: Candice H. White, Clerk to the Board
DATE: October 26, 2018
SUBJECT: Finance Committee Special Meeting – Thursday, November 1, 2018

The regular meeting of the Board of Commissioners' committees (Finance, Policy and Facilities Committee) has been **CANCELLED** and rescheduled as a **SPECIAL MEETING** on Thursday, November 1, 2018 beginning at 8:30 a.m. at the **Department of Social Services, 1225 Ramsey Street, Conference Room C**. All committee meetings will start as soon as the previous committee adjourns.

AGENDA

1. Approval of Minutes – September 6, 2018 Special Meeting (**Pg. 2**)
2. Consideration of Interlocal Agreement with the Town of Hope Mills to Share in State Appropriated Funding for Mosquito Spraying (**Pg. 12**)
3. Consideration of Engaging Outside Legal Counsel for Department of Social Services (DSS) Children's Services (**Pg. 14**)
4. Consideration of Request to Waive Solid Waste Fees for Speranza Mobile Home Park Due to Hurricane Florence (**Pg. 18**)
5. Sales Tax Distribution Interlocal Agreement
 - A. Approval of Minutes-Cumberland County Sales Tax Committee-October 9, 2017 (**Pg. 21**)
 - B. Discussion of Proposed Amendment to Sales Tax Distribution Interlocal Agreement (**Pg. 29**)
6. Monthly Updates
 - A. Health Insurance (**Pg. 31**)
 - B. CDBG-DR (**Pg. 34**)
 - C. Financial Report (**Pg. 35**)
7. Other Items of Business (**NO MATERIALS**)

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September 6, 2018 Special Meeting

CUMBERLAND COUNTY FINANCE COMMITTEE
 DEPARTMENT OF SOCIAL SERVICES-1225 RAMSEY STREET
 CONFERENCE ROOM C
 SEPTEMBER 6, 2018 – 8:30 AM
 SPECIAL MEETING MINUTES

MEMBERS PRESENT: Commissioner Jimmy Keefe, Chairman
 Commissioner Glenn Adams
 Commissioner Marshall Faircloth

OTHERS: Commissioner Council
 Amy Cannon, County Manager
 Melissa Cardinali, Assistant County Manager
 Tracy Jackson, Assistant County Manager
 Duane Holder, Assistant County Manager
 Rick Moorefield, County Attorney
 Vicki Evans, Finance Director
 Jeffery Brown, Engineering and Infrastructure Director
 Brenda Jackson, Social Services Director
 Deborah Shaw, Budget Analyst
 Heather Harris, Budget Analyst
 Geneve Mankel, Communications and Outreach Coordinator
 Candice H. White, Clerk to the Board
 Kellie Beam, Deputy Clerk
 Press

Commissioner Keefe called the meeting to order.

1. CONSIDERATION OF APPROVAL OF MINUTES – AUGUST 2, 2018 SPECIAL MEETING

MOTION: Commissioner Adams moved to approve the August 2, 2018 special meeting minutes.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF HEALTH AND BENEFITS BROKERAGE AND CONSULTING SERVICES AGREEMENT WITH CHERNOFF DIAMOND

BACKGROUND

In the fall of 2017 the County migrated its health benefits broker / consultant to ChernoffDiamond. Since that time, the scope of work was changed requiring Chernoff Diamond to complete a review of all ancillary benefits. Over the past year, Chernoff Diamond assisted the County with unwinding the non-compliant health savings account (HSA) before December 31, 2017. They also secured

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new ancillary benefit options for employees, set up a roll out strategy for open enrollment, and had benefits in place for the new plan year beginning July 1, 2018. Despite these significant changes, overall employee feedback has been positive. From a customer service aspect, Chernoff Diamond was able to:

- Lock in rates, 2-year dental, 4-year ancillary (some with reduced rates)
- Implement a new on-line employee benefits system
- Achieve personal service by setting up face-to-face meetings between employees and benefits counselors (80% participation rate)

While the original plan was to conduct a request for proposal (RFP) process in the fall of 2018, this strategy is not recommended. The primary goal of a new broker will be to conduct the same thorough analysis just completed by Chernoff Diamond. Since this analysis is so current, it would not be prudent to once again change ancillary benefits in the spring.

Therefore, management proposes a two-year agreement with Chernoff Diamond to allow the County to better maintain stability in the current health and ancillary plans. Prior to the end of the proposed two-year agreement, staff plan to solicit proposals through a competitive RFP process.

Please note: Within the proposed agreement, there are no direct payments required from the County. Chernoff Diamond receives standard carrier commissions from insurance carriers for compensation.

RECOMMENDATION/PROPOSED ACTION

Management recommends approval of a two-year agreement (January 1, 2019 through December 31, 2021) with Chernoff Diamond to provide employee health and benefits brokerage and consulting services.

Vicki Evans, Finance Director, stated at the August meeting of the Finance Committee, there was a request to bring information and a proposal back to the committee. Ms. Evans reviewed the background information recorded above.

Commissioner Faircloth inquired whether Chernoff Diamond could be asked to disclose the commissions they receive on products they recommend. Ms. Evans stated the County can make the request and they will provide that information. Commissioner Faircloth stated he felt having that information from a broker is important due to changes in the law regarding fiduciary responsibilities. Commissioner Faircloth stated the County needs to be sure what it is getting is not based on what Chernoff Diamond as the broker is getting, and his request for the disclosure is not a motion but a recommendation. Ms. Cannon explained the opportunity staff had with Chernoff Diamond, as opposed to previous brokers, to be more involved in selecting what would be offered to employees to ensure it was a right fit for them. In response to a question from Commissioner Keefe, Ms. Cannon stated part of Chernoff Diamond's responsibility is to continue

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to look for and find the best insurance for the county and for employees. Ms. Evans stated with Chernoff Diamond, prices did not increase, maintained overall and there were two decreases.

MOTION: Commissioner Faircloth moved to approve a two-year agreement, January 1, 2019 through December 31, 2021, with Chernoff Diamond to provide employee health and benefits brokerage and consulting services.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

3. CONSIDERATION OF REQUEST TO PARTICIPATE IN THE NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS (NCACC) COUNTY MANAGEMENT FELLOWSHIP PROGRAM AND BUDGET ORDINANCE AMENDMENT BR#190444

BACKGROUND:

As part of its commitment to helping develop the next generation of county managers, the NCACC created a Management Fellowship Program (MFP) in 2012. The program is modeled after the Local Government Management Fellowship administered by the International City-County Management Association (ICMA). The ICMA is a partner for the NCACC program.

Each year Master's in Public Administration (MPA) students apply to participate in the program. The NCACC screens the pool of applicants and then shares qualified applications with interested host counties. The host counties then choose which applicants to interview. The successful fellow is asked to make a 12 to 24-month commitment to the host county.

The host county is responsible for a reasonable salary and benefits, travel to events, providing a mentor and an environment for career learning experience. After a review by our Human Resources staff, it is recommended Cumberland County offer a salary of \$55,000 plus benefits. The NCACC requires a minimum salary of \$35,000 in order for the program to be affordable for smaller, rural counties. The NCACC will include the Fellow in its cohort; fund the Fellow's membership dues for the NC City-County Management Association (NCCCMA), as well as registration fees for the NCCCMA Winter and Summer seminars; waive any registration for NCACC events, including the Annual Conference, Legislative Goals Conference and County Assembly Day.

There are two timing options for participation. The main cycle coincides with the start of the fiscal year. Cumberland would post a Letter of Intent to Host on the ICMA website by October. ICMA would screen the applicants, forwarding qualified candidates to the NCACC for further review. If a Fellow is interested in Cumberland, and vice versa, he or she would begin their fellowship in July.

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The second cycle targets MPA students who may be graduating in December. The NCACC will reach out to UNC system MPA programs to put out a call for letters of interest and resumes. If there is any interest, the Fellow would begin in January.

The NCACC is extremely interested in seeking participation in the program from larger NC counties. If we choose to participate, Cumberland would be the largest county to do so. Cumberland County can provide a wide range of opportunities and experiences for a future manager. In return, the county will receive management level assistance for a variety of projects for a reasonable investment.

RECOMMENDATION/PROPOSED ACTION:

Management recommends approving participation in the NCACC / ICMA Management Fellowship Program beginning in January 2019 and Budget Revision #B190444 in the amount of \$39,500 for salary, benefits and training/travel. This revision will cover expenses for half of the fiscal year.

Melissa Cardinali, Assistant County Manager, reviewed the background information recorded above. Ms. Cardinali stated possible projects that come to mind for the fellow include sales tax, FEMA issues and the school funding agreement. Ms. Cardinali also stated the hope is that a fellow will be placed in Cumberland County or in one of the county's neighboring eastern North Carolina counties. Ms. Cardinali stated the NCACC will vet applicants and if Cumberland County is approved, it will work with the NCACC to try to recruit a graduate from December's class to begin in January, and if that is not possible, work to secure an MPA graduate for the July time period.

Commissioner Keefe asked about the fellow's tasks and responsibilities. Ms. Cardinal stated the county will have to show the NCACC that it has significant worthy projects that would give a manager the type of experience they can use. Ms. Cardinali stated shadowing would provide mentoring, leadership and new experiences, and the fellow would have tasks just like any employee in the county and held accountable for their responsibilities. Ms. Cannon stated county administration has a long list of projects, ideas and research items that are not moving at this point due to a lack of internal capacity. Additional questions and discussion followed. Ms. Cannon stated this can be seen as another level of succession planning and will grow leaders.

MOTION: Commissioner Adams moved to approve participation in the NCACC / ICMA Management Fellowship Program beginning in January 2019 and Budget Revision #B190444 in the amount of \$39,500 for salary, benefits and training/travel, with this revision covering expenses for half of the fiscal year.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

Consensus followed for staff to target the October ICMA application process for two fellows for Cumberland County. Ms. Cardinali explained this would not change the budget revision numbers,

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would allow her to cast a broader net and know to include the second fellow in the FY20 budget.

4. MONTHLY UPDATES

A. HEALTH INSURANCE

BACKGROUND:

Total health insurance claims for FY19 are in line with FY18 at \$1,483,915 for the month of July. To provide some perspective on the claims, below is the 1-month average for the past 5 fiscal years. This average represents the average claims for July of each fiscal year. Additionally, graphs are provided as an aid to the analysis.

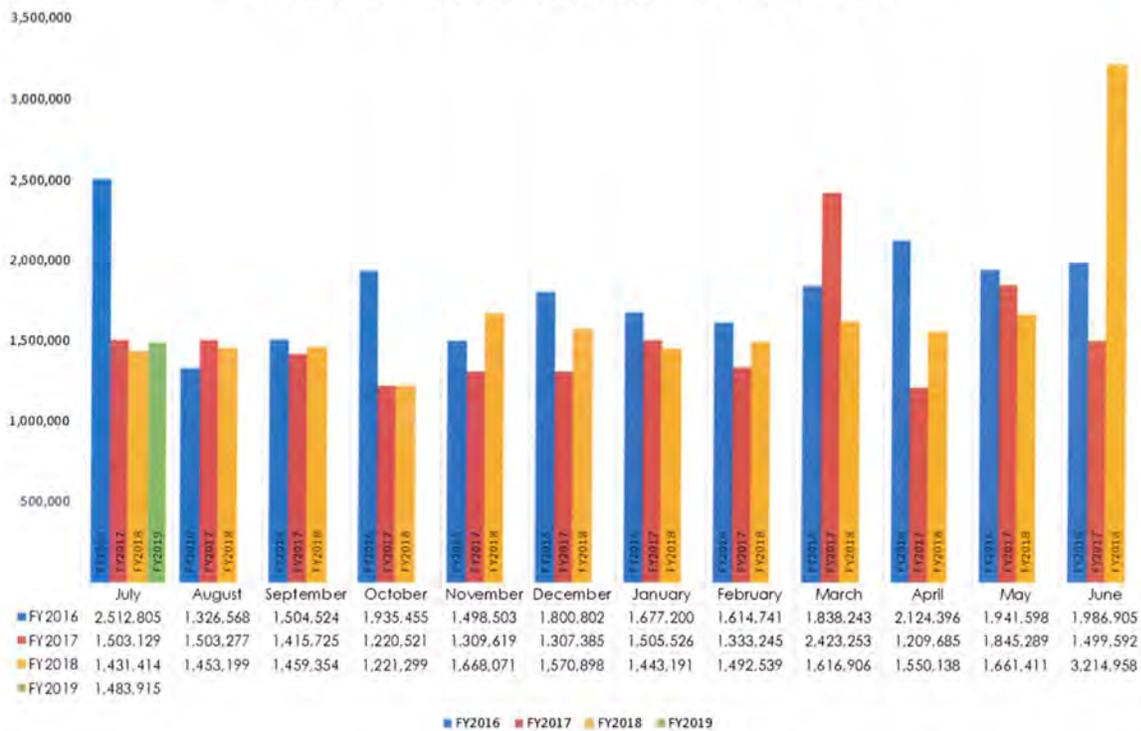
Average claims per fiscal year for July:

- FY15 \$2,001,709
- FY16 \$2,512,805
- FY17 \$1,503,129
- FY18 \$1,431,414
- FY19 \$1,483,915

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information only.

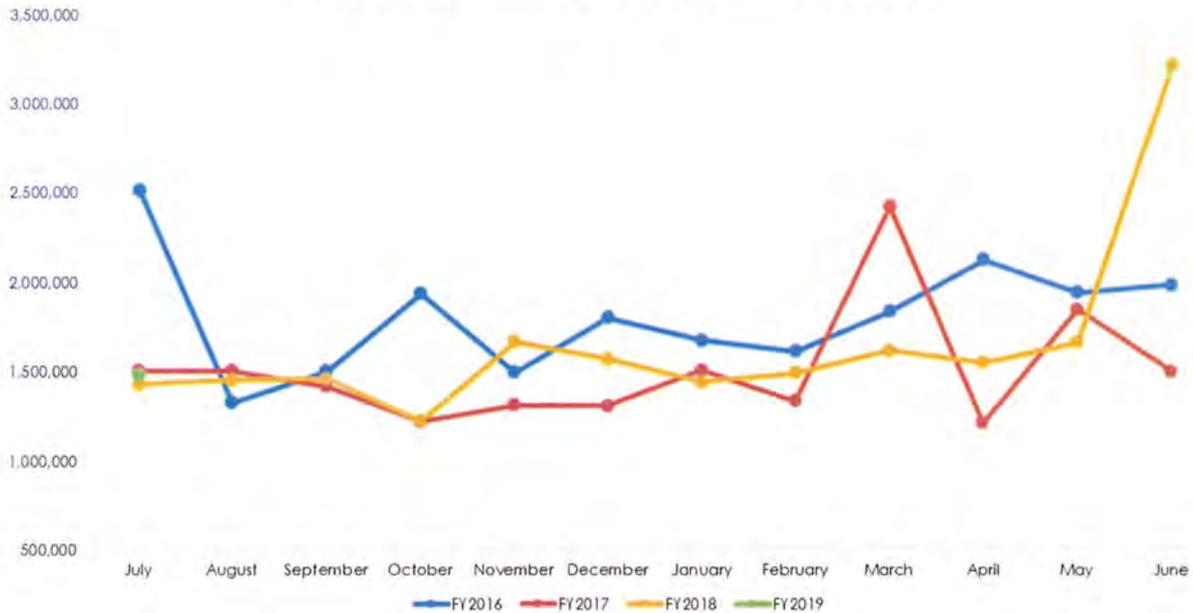
Monthly Insurance Claims FY16-FY19



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Monthly Insurance Claims FY16 - FY19



B. CDBG-DR

CUMBERLAND COUNTY CDBG-DR PROGRAM UPDATE FOR THE SEPTEMBER 6, 2018 FINANCE COMMITTEE MEETING

Status as of August 30, 2018:

Total Applications	Application Intake (Step 1)	State Eligibility Check (Step 2)	State Duplication of Benefits Check (Step 3)	Under Further Review
265	74 (14 county/60 city)	18 (4 county/14 city)	133 (20 county/113 city)	23
Inspection & Environmental Review (Step 4)	Grant Determination (Step 5)	Contractor Selection (Step 6)	Construction (Step 7)	Completion (Step 8)
5 (1 county/4 city)	9 (4 county/5 city)	0	0	0

*Steps 2-3 performed by State; Steps 1, 4-8 performed by County/City

Note: 3 applications were withdrawn

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Milestones/Activities:

- Request for Project Management Proposal – Review completed – Discussion with potential proposer currently ongoing;
- Ongoing– County will process applications, incomplete applications and submit for review; State will determine eligibility; State will handle environmental review processes;
- County CD Rehab staff have conducted site inspections on properties that are in the Step 3 DOB stage – 8 completed;
- City CD staff have conducted site inspections on properties that are in the Step 3 DOB stage – 2 completed;
- State recently deployed damage assessment teams to assist with site inspections;
- State recently implemented and opened Regional Intake Centers – this will also allow applicants to apply at any center (non-Cumberland residents – 2 *Tier II Counties*)
- State anticipate Step 3 environmental reviews release possible August;
- RFP & Project form for State environmental review process – Robins Meadow Phase II; Day Resource Center in Homeless Initiative Committee for discussion on site determination –County & City Staff tour Transitions Homeless Center site in Columbia, SC 7/16/18 to explore the potential options for proposed project.

Current Staffing:

- State: – David Cauthorn, CD Specialist II, Dept. of Public Safety – (Community Outreach for CDBG-DR); temporary office at Cumberland County Planning Department
- Cumberland County:
 - Sylvia McLean, P.T. Community Development (CD) Consultant; Terrinique Washington, Admin Support Specialist; Tye Vaught, Admin Program Officer II; Chavaugh McLamb, Admin Housing Coordinator II
 - *Housing Project Manager – re-advertised 5/30/18*
- City of Fayetteville: Jay Reinstein and Cindy Blot, CD Director; Anedra Walls, Admin Assistant

C. FINANCIAL REPORT

BACKGROUND

The financial report is included which shows the fiscal year 2018 June year-to-date budget to actual (cash received/cash paid) comparison. The attached report shows results posted through August 23, 2018. Additional detail has been provided on a separate page explaining any percentages that may appear inconsistent with year-to-date budget expectations.

This should not be considered a final report for fiscal year 2018. Over the next several months, Finance will be working toward closing out the fiscal year and audit completion. You can expect updated monthly financial reports pertaining to fiscal year 2018 through October 2018 and a presentation of audit results in December. In November, we will begin reporting on fiscal year 2019 with a summary of results of the first quarter.

RECOMMENDATION/PROPOSED ACTION

No action needed – for discussion and information purposes only.

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REVENUES	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	AS OF June 30, 2018	BUDGET TO DATE
Ad Valorem Taxes					
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,962,162	\$ 163,194,457	101.4% (1)
Prior Years	1,046,732	1,121,000	1,121,000	1,105,826	98.6%
Motor Vehicles	17,683,864	18,070,242	18,070,242	18,788,786	104.0% (2)
Penalties and Interest	650,368	667,602	667,602	740,525	110.9%
Other	1,018,563	930,279	930,279	955,996	102.8%
Total Ad Valorem Taxes	176,531,054	181,101,285	181,751,285	184,785,590	101.7%
Other Taxes					
Sales	41,517,943	41,760,036	41,849,536	38,366,951	91.7% (3)
Real Estate Transfer	1,091,362	700,000	700,000	1,096,191	156.6%
Other	1,114,408	1,111,500	1,111,500	1,040,243	93.6%
Total Other Taxes	43,723,713	43,571,536	43,661,036	40,503,385	92.8%
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	70,987,921	61,627,167	86.8% (4)
Charges for Services	13,832,010	12,056,608	12,083,527	13,100,993	108.4%
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,045,838	7,754,366	110.1%
Proceeds Refunding Bonds	-	-	23,005,000	23,005,000	100.0%
Premium on COPS Sold	-	-	4,285,558	4,285,557	100.0%
County Closing Contribution	-	-	254,736	254,735	100.0%
Lease Land CFVMC	3,714,637	3,714,637	3,714,637	3,813,452	102.7%
Total Other	12,660,158	10,703,527	38,305,769	39,113,110	102.1%
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 346,789,538	\$ 339,130,245	97.8%
Fund Balance Appropriation		8,889,652	16,834,681	-	0.0% (5)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 363,624,219	\$ 339,130,245	93.3%

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DEPARTMENTS	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	EXPENDITURES AS OF June 30, 2018	BUDGET TO DATE **
Governing Body	\$ 591,731	\$ 617,587	\$ 617,587	\$ 567,032	91.8%
Administration	2,515,558	1,501,201	1,501,201	1,368,086	91.1%
Public Affairs/Education	76,879	497,199	497,199	463,236	93.2%
Human Resources	30,245	828,896	828,896	788,221	95.1%
Print, Mail, and Design	754,908	875,345	861,871	681,404	79.1%
Court Facilities	55,786	129,370	173,610	149,298	86.0%
Facilities Maintenance	1,936,136	2,009,030	2,787,855	1,808,710	64.9% (1)
Landscaping & Grounds	606,364	607,577	612,237	573,921	93.7%
Carpentry	231,715	234,884	234,884	175,721	74.8%
Facilities Management	1,238,266	1,267,781	1,273,221	1,212,371	95.2%
Public Buildings Janitorial	721,041	710,946	710,946	697,720	98.1%
Central Maintenance	798,075	672,386	672,386	596,619	88.7%
Information Services	3,388,444	3,958,479	4,197,368	3,371,775	80.3%
Board of Elections	1,180,015	2,237,762	2,237,762	1,139,108	50.9% (2)
Finance	1,205,572	1,201,225	1,201,225	1,134,661	94.5%
Legal	668,776	813,554	813,554	693,389	85.2%
Register of Deeds	2,092,298	2,321,099	2,762,365	1,930,174	69.9%
Tax	5,567,709	5,589,154	5,620,154	5,060,380	90.0%
Debt Service	23,400,669	21,464,283	21,466,328	21,449,808	99.9%
General Government Other	3,828,293	4,237,882	4,688,400	2,988,829	63.7%
Sheriff	47,212,707	50,250,550	50,548,888	45,408,255	89.8%
Emergency Services	3,064,405	3,320,934	3,405,291	2,942,730	86.4%
Criminal Justice Pretrial	434,987	426,673	456,673	441,672	96.7%
Youth Diversion	325	25,000	25,000	9,549	38.2% (3)
Animal Control	2,932,986	2,922,717	2,947,717	2,859,626	97.0%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,007,220	1,075,666	1,396,928	1,296,751	92.8%
Health	22,269,462	22,506,054	23,558,013	20,891,358	88.7%
Mental Health	3,148,761	5,452,507	3,281,366	3,095,740	94.3%
Social Services	71,524,059	66,425,182	67,301,671	58,238,886	86.5%
Veteran Services	371,189	385,725	387,901	376,229	97.0%
Child Support	4,893,727	5,044,200	5,065,530	4,669,890	92.2%
Spring Lake Resource Administration	31,524	34,332	34,332	30,978	90.2%
Library	11,105,397	10,530,428	10,779,572	9,967,046	92.5%
Stadium Maintenance	110,288	117,296	117,296	92,194	78.6%
Culture Recreation Other (Some of the Community Funding)	312,816	268,069	268,069	268,069	100.0%
Planning	3,077,126	3,446,758	3,455,653	2,818,268	81.6%
Engineering	439,678	510,090	2,467,254	1,161,131	47.1% (4)
Cooperative Extension	570,083	705,596	705,596	541,386	76.7%
Location Services	357,095	447,221	423,300	289,743	68.4%
Soil Conservation	141,234	136,400	357,543	138,738	38.8% (5)
Public Utilities	87,442	110,270	95,092	87,866	92.4%
Economic Physical Development Other	20,000	20,000	20,000	20,000	100.0%
Industrial Park	3,296	23,148	23,148	1,117	4.8% (6)
Economic Incentive	420,423	548,418	710,918	462,345	65.0% (7)
Water and Sewer	-	250,000	379,330	-	0.0% (8)
Education	91,394,940	93,341,404	94,080,904	92,013,115	97.8%
Other Uses:					
Transfers Out	2,264,613	3,522,583	10,028,936	7,091,687	70.7% (9)
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,531,480	100.0%
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 363,624,219	\$ 329,596,310	90.6%

Expenditures by Category	FY16-17	FY17-18	FY17-18	EXPENDITURES AS OF	PERCENT OF
	UNAUDITED	ADOPTED BUDGET	REVISED BUDGET	June 30, 2018	BUDGET TO DATE
Personnel Expenditures	\$ 131,620,131	\$ 136,744,346	\$ 134,194,076	\$ 120,321,940	89.7%
Operating Expenditures	158,133,695	157,914,300	165,411,909	149,817,034	90.6%
Capital Outlay	2,118,869	3,460,456	4,158,601	2,579,226	62.0% (10)
Debt Service	23,946,955	21,981,176	21,983,221	21,966,702	99.9%
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,531,480	100.0%
Transfers To Other Funds	2,264,613	3,522,583	10,333,163	7,379,928	71.4%
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 363,624,219	\$ 329,596,310	90.6%

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Fiscal Year 2018 - June Year-to-Date Actuals (Report Run Date: August 23, 2018)

Additional Detail

General Fund Revenues

*

- (1) **Current Year Ad Valorem** - 101.4% of budget, 99.17% collection rate.
- (2) **Motor Vehicles** - 104.0% of budget.
- (3) **Sales Tax** 91.7% - YTD Actual reflects 11 months of collections.
- (4) **Unrestricted/Restricted Intergovernmental Revenues** 86.8% - revenue accruals for year-end are not yet finalized.
- (5) **Fund Balance Appropriation** 0% - Direct entries are not made to fund balance.

General Fund Expenditures

**

- (1) **Facilities Maintenance** 64.9% - Conference Room renovation to be completed in July. This re-appropriation to the FY19 budget was approved at the August 6, 2018 BOCC's meeting.
- (2) **Board of Elections** 50.9% - Capital purchase budgeted for \$809,045 will not be purchased until FY19.
- (3) **Youth Diversion** 38.2% - Not staffed the entire fiscal year.
- (4) **Engineering** 47.1% - Incomplete project (stream debris removal) funded by a grant in FY18 will be requested for re-appropriation during FY19.
- (5) **Soil Conservation** 38.8% - Incomplete projects (stream debris removal) funded by a grant in FY18. This re-appropriation to the FY19 budget was approved at the August 6, 2018 BOCC's meeting.
- (6) **Industrial Park** 4.8% - Maintenance at Cedar Creek Industrial Park did not occur in FY18.
- (7) **Economic Incentive** 65.0% - Economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
- (8) **Water and Sewer** 0% - Funds budgeted for Overhills W&S were not utilized.
- (9) **Transfers Out** 70.7% - Transfers out typically occur at year end and are not yet complete.
- (10) **Capital Outlay** 62.0% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.

There were no questions or discussion regarding the reports recorded above.

5. OTHER ITEMS OF BUSINESS

MOTION: Commissioner Adams moved to adjourn.
 SECOND: Commissioner Faircloth
 VOTE: UNANIMOUS (3-0)

There being no further business, the meeting adjourned at 8:50 a.m.

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CUMBERLAND
COUNTY
NORTH CAROLINA

DEPARTMENT OF PUBLIC HEALTH

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS

FROM: DUANE T. HOLDER, INTERIM HEALTH DIRECTOR &
ASSISTANT COUNTY MANAGER

THRU: AMY H. CANNON, COUNTY MANAGER

DATE: OCTOBER 17, 2018

SUBJECT: CONSIDERATION OF INTERLOCAL AGREEMENT WITH THE
TOWN OF HOPE MILLS TO SHARE IN STATE
APPROPRIATED FUNDING FOR MOSQUITO SPRAYING

Requested by: Amy H. Cannon

Presenter: Duane T. Holder

Estimate of Committee Time Needed: 5 Minutes

BACKGROUND:

The Health Department received a State appropriation in the amount of \$260,536 to conduct mosquito abatement activities as a result of Hurricane Florence. These funds may be expended to conduct ground and/or aerial spraying, establish or enhance an existing Integrated Mosquito Management at the city or county level, and to purchase BTI mosquito dunks for distribution to citizens.

The Town of Hope Mills conducted ground spraying in corporate limits of the town. The Town has requested financial assistance to recoup their expenses related to mosquito abatement as a result of Hurricane Florence. Because of their activities, the County did not incur the cost of

ground spraying within the Town limits. Based on their pro-rata share of the County, it is projected that the cost of spraying that area would total \$13,100. We are requesting the ability to allow the Town of Hope Mills to share in the State-appropriated funding for mosquito spraying.

RECOMMENDATION/PROPOSED ACTION

Request that the Board approve the development of an interlocal agreement with the Town of Hope Mills to share in the State-appropriated funding for mosquito spraying in an amount not to exceed \$13,100 and authorize the Chairman of the Board of Commissioners to execute the agreement.

cc: Candice York, CCDPH Finance Officer
File

BRENDA REID JACKSON
Director

ASSISTANT DIRECTORS

Bobbie Redding
Legal Services

Crystal Black
Adult Services

Sandy Connor
Children's Services

John Nalbone
Business Operations



CUMBERLAND
COUNTY
NORTH CAROLINA

DEPARTMENT OF SOCIAL SERVICES

ITEM NO. 3.
SECTION CHIEFS

Sharon McLeod
Children's Services

Vivian Tookes
Economic Services

Kristin Bonoyer
Adult Services

Vacant
Business Operations

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: BRENDA REID JACKSON, CCDSS DIRECTOR
THROUGH: DUANE HOLDER, ASSISTANT COUNTY MANAGER
DATE: OCTOBER 25, 2018
**SUBJECT: CONSIDERATION OF ENGAGING OUTSIDE LEGAL COUNSEL FOR DSS
INDEPENDENT CONTRACTOR FOR CHILDREN'S SERVICES AND
BUDGET ORDINANCE AMENDMENT #191134**

Requested by: Amy H. Cannon, County Manager
Presenter(s): Brenda Jackson, CCDSS Director
Estimate of Committee Time Needed: 5 MINS

BACKGROUND:

Due to unexpected events, the Legal Section is in dire need of additional attorney support. One of the Staff Attorneys has been on Family Medical Leave since August 2018. He is expected to return to the office soon but will be unable to resume his normal caseload. His duties will be to concentrate on in-house matters to include working with adult services, staffing cases to determine whether safety issues require the court to intervene and helping with complex orders. Hurricane Florence has created a backlog of work. All DSS Juvenile Court attorneys continue to carry heavy caseloads and new petitions continue to be filed.

The hurricanes also delayed the hiring of an attorney and paralegal that was granted to DSS by the Commissioners in the last budget. I expect the attorney position to be filled on October 29. Even though the new attorney is experienced in Juvenile Law, becoming familiar with the social services cases takes a significant amount of time because of the number of cases and the way they are scheduled for court.

Next, the juvenile cases are complex and require more preparation time. Many go from the Abuse and Neglect status to the Termination of Parental Rights within a short period of time. Moving these cases is extremely important to provide permanency for children. Any delay in the process is an expense for the Agency and the County. Having a contract attorney who is familiar with the juvenile law, especially the Termination of Parental Rights and the Responsible Individual law, will

We stand united to strengthen individuals and families and to protect children and vulnerable adults...

mean the other attorneys can concentrate on the heavy caseloads that are assigned as set out in the Local Court Rules.

Lastly, the retirement of the Managing Attorney on January 31, 2019 will also require an adjustment period for the Legal Section staff. The attorneys may be required to handle some of the other legal matters that the Managing Attorney has been responsible for, which are outside of their usual practice.

RECOMMENDED/PROPOSED ACTION:

We respectfully request your approval of the Contract Amendment for Margaret Russ to increase her FY 18-19 contract by \$75,000.00 and Budget Ordinance Amendment #191134 to move \$75,000 from Salaries to Contracted Services to fund the increase. This contract shall not exceed \$95,000.

Please let me know if you have any questions or need any additional information.

BRJ/jml

Cc: Cumberland County Board of Social Services
CCDSS Management Team
File

Contract Amendment
Cumberland County Department of Social Services
Fiscal Year Begins July 1, 2018 Ends June 30, 2019

Contract #2019132
Amendment #1

SECTION I

Agency: Margaret R. Russ, Attorney at Law, P.A.
Program: Children and Adult Services
Effective Period of the Contract: July 1, 2018 – June 30, 2019

This Contract Amendment amends the contract between the Cumberland County Department of Social Services (the "County") and Margaret R. Russ, Attorney at Law, P.A. (the "Contractor"). As provided for under the terms of the contract, The County and Contractor agree to amend the provision(s) indicated in Section II below.

SECTION II

Justification/Change to Contract: To fund the cost of legal services provided by the Contracted Attorney for the remainder of the fiscal year. See the amended Scope of Work. The total increase is **\$75,000.00**

1. Current amount of reimbursement: \$20,000.00
2. Revised amount of reimbursement: \$95,000.00
3. Except as specifically amended herein, all other terms and provisions of the purchase of services contract shall remain in full force and effect.
4. The total expenditures under this Agreement shall be **at least \$20,000.00 but not to exceed \$95,000.00** depending on costs and available funds.

SECTION III

All other terms and conditions set forth in the original contract shall remain in effect for the duration of the contract. The contract specified above is amended by this Contract Amendment effective October 22, 2018.

Contractor

County

Margaret R. Russ, Attorney at Law, P.A.

Cumberland County Department of Social Services

By: _____

By: _____

Title: Attorney at Law

Title: Director

Date: _____

Date: _____

THIS IS A SIGNATURE PAGE ONLY

By: _____
Larry L. Lancaster, Chairman
Cumberland County Board of Commissioners

Date

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

Approved for Legal Sufficiency:

By: _____
VICKI EVANS
County Finance Director

By: _____
COUNTY ATTORNEY'S OFFICE
Expires: 30 June 2019
 RENEWABLE
 NON-RENEWABLE

DUANE T. HOLDER
Assistant County Manager

TRACY JACKSON
Assistant County Manager

SALLY S. SHUTT
Assistant County Manager



AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE
FROM: TRACY JACKSON, ASST. COUNTY MANAGER
THRU: AMY CANNON, COUNTY MANAGER
DATE: OCTOBER 22, 2018
SUBJECT: CONSIDERATION OF REQUEST TO WAIVE SOLID WASTE FEES FOR SPERANZA MOBILE HOME PARK DUE TO HURRICANE FLORENCE

Requested by: Tracy Jackson, Asst. County Manager

Presenter(s): Tracy Jackson, Asst. County Manager

Estimate of Committee Time Needed: 10 Minutes

BACKGROUND

At the October 15, 2018, Board of Commissioners' Meeting during Public Comments, Mr. Mike Speranza, co-owner of Speranza Mobile Home Park located off West Manchester Road in Spring Lake, requested that Solid Waste fees be waived for twenty-nine mobile homes that his family owns which were damaged during Hurricane Florence due to flooding. Staff have visited the property in question (aerial view attached) and estimated that the amount of demolition material fees to be waived will be approximately \$14,500. This may also involve labor, equipment, and transportation costs associated with the debris removal if the Speranza's cannot provide the debris removal. The waiver of tipping fees and/or removal cost is typically not reimbursable to the County by FEMA because the debris is on private, commercial property. It is worth noting that after Hurricane Matthew, a similar situation occurred at a local mobile home park, and the owner was required to remove storm-related debris without a waiver of tipping fees or other assistance from the County.

Rather than a waiver, staff recommends the amount of the tipping fees for the tonnage accepted be placed on the property in question as a lien to be recovered when and if the parcel associated with the Speranza Mobile Home Park is sold.

RECOMMENDATION/PROPOSED ACTION:

Staff recommends approval to forward this to the full Board of Commissioners as a consent agenda item at the **November 5, 2018** regular meeting with the stipulation that the amount of the tipping fees for the tonnage accepted be placed on the property in question as a lien to be recovered when and if the parcel associated with the Speranza Mobile Home Park is sold.

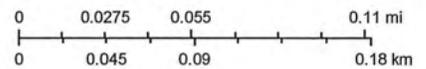
ArcGIS Web Map



10/9/2018 9:20:41 AM

1:2,449

- Address
- Parcels
- Fort Bragg Military Reservation
- Buildings
- Municipal Boundaries**
- Fayetteville
- Hope Mills
- Spring Lake
- Eastover
- Falcon
- Godwin
- Linden
- Stedman
- Wade
- Street_Centerlines
- HydroPolygons
- Subdivisions-MHPS
- Cumberland2017.sid**
- Red: Band_1
- Green: Band_2
- Blue: Band_3



CCGIS
CCGIS

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October 9, 2017 Sales Tax Distribution Committee

CUMBERLAND COUNTY SALES TAX COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
OCTOBER 9, 2017 – 12:00 PM
SPECIAL MEETING MINUTES

BOARD OF COMMISSIONERS

PRESENT: Commissioner Jeannette Council, Committee Chair
Chairman Glenn Adams

TOWN OF HOPE MILLS: Mayor Jackie Warner

TOWN OF SPRING LAKE: Mayor Pro Tem Larry Dobbins

MAYORS' COALITION

PRESENT: Mayor Clifton Turpin, Town of Falcon

OTHERS PRESENT: Mayor Willie Burnett, Town of Godwin
Mayor Charles McLaurin, Town of Eastover
Mayor Joe Dixon, Town of Wade
Kirk deViere, Fayetteville City Council
Kim Nazarchyk, Eastover Town Manager
Butch Watson, Finance Director Town of Spring Lake
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager
Debra Shaw, Budget Analyst
Heather Harris, Budget Analyst
Candice H. White, Clerk to the Board
Press

FAYETTEVILLE CITY

COUNCIL ABSENT : Mayor Nat Robertson, City of Fayetteville
Mayor Pro Tem Mitch Colvin, City of Fayetteville

MAYOR'S COALITION

ABSENT: Mayor Pro Tem Mardy Jones, Town of Stedman

1. WELCOME/RECOGNIZE SALES TAX COMMITTEE MEMBERS

With a quorum being present, Commissioner Council, Sales Tax Committee Chair, called the meeting to order. Attendees introduced themselves. Commissioner Council stated she received a call on the way to the meeting from Mayor Robertson who indicated he would be unable to attend. Commissioner Council stated MPT Colvin will also be unable to attend; however, Fayetteville City Council Member Kirk deViere is present and attended the April meeting of the

DRAFT

Committee. City Council Member deViere stated he was present to listen but would not speak as he is not a member of the Committee.

2. APPROVAL OF APRIL 12, 2017 SPECIAL MEETING MINUTES

MOTION: Mayor Warner moved to approve the April 12, 2017 special meeting minutes.

SECOND: Mayor Turpin

VOTE: UNANIMOUS (5-0)

3. BRIEF HISTORY OF SALES TAX AGREEMENT

Commissioner Council recognized Melissa Cardinali, Assistant County Manager, who provided a short presentation. Ms. Cardinali stated the presentation is based on FY15 data; however, the numbers have not changed significantly.

Ms. Cardinali reviewed the sales tax articles below and stated Articles 40 and 42 require the county to share 30% and 60% with the school system.

Sales Tax Articles

Article 39	1 cent
Article 40	½ cent - 30% shared with schools
Article 42	½ cent - 60% shared with schools
Article 46	¼ cent

Ms. Cardinali stated the statutes give the County the authority to levy sales tax and also require the County to share the tax with cities and towns within its limits. Ms. Cardinali also stated the County can choose between two methods for sales tax distribution. Ms. Cardinali reviewed the methods below and stated a change in the distribution method can only be done by the Board of Commissioners in April in any given fiscal year.

Sales Tax Distribution Methods

County Commissioners are authorized to choose between two methods to establish the distribution of sales tax proceeds between the county and its municipalities.

Per Capita Distribution	Ad Valorem Distribution
-------------------------	-------------------------

County Commissioners may change the method of distribution annually in month of April.

Ms. Cardinali reviewed distributions by the County below and stated historically as municipal populations started growing through annexations, the County's relative share of the sale tax distribution declined while at the same time the responsibilities of the County did not decline. Ms. Cardinali stated due to the significant size of some of the annexations, there was a shift in revenue from the County to the municipalities, most significantly to the City of Fayetteville.

Cumberland County Distributions

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- Sales taxes in Cumberland County have historically been distributed using the per capita distribution method.
- As Fayetteville and other municipal populations grew through annexation:
The County’s relative share of sales tax distribution declined.
The County’s responsibilities did not decline.
- Result: a shift in revenue from the County to the municipalities – most significantly to the City of Fayetteville.

Ms. Cardinali provided highlights of the working group formed in 2002.

Sales Tax Working Group

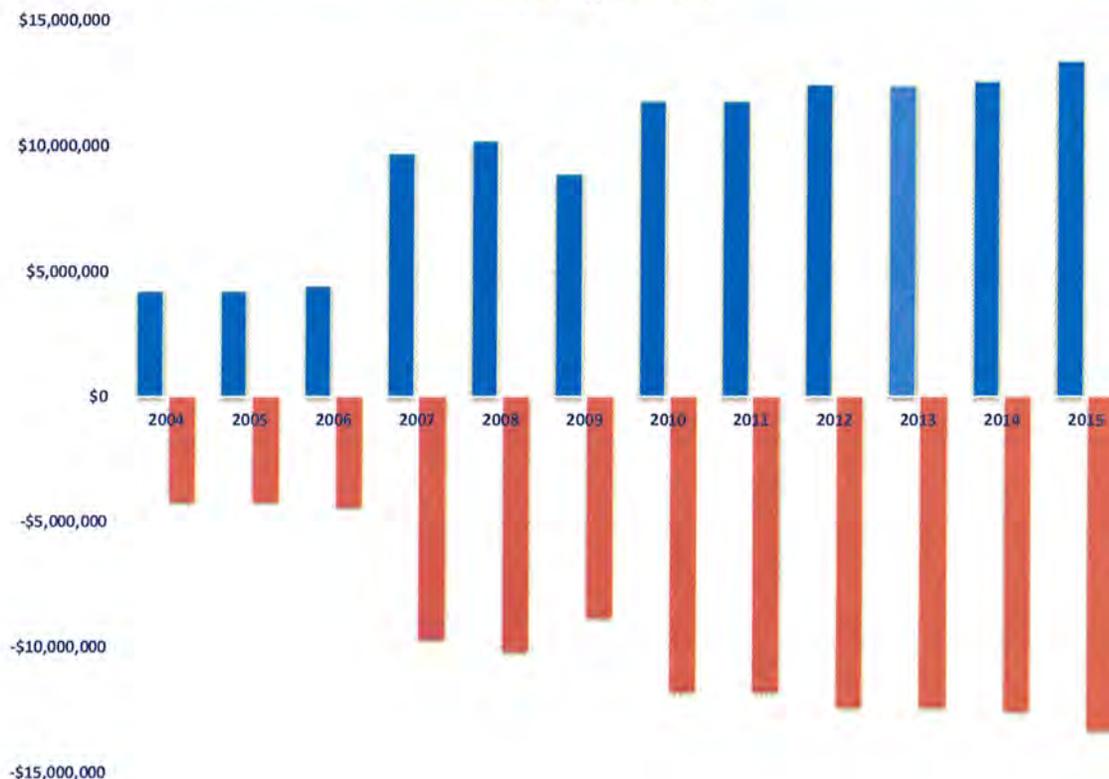
Sales tax/annexation working group formed in 2002

Purpose – balance cost of extending services through annexation with the simultaneous loss of sales tax revenue to the County

Working group included representatives from each municipality, the Board of Education and the County

Ms. Cardinali stated had an agreement not be entered and had the per capita method of distribution remained in place without an agreement, there would have been almost a \$15 million shift in total revenue from the County specifically to the City of Fayetteville, which would have been the most impactful shift.

**Annual Impact of Fayetteville Annexations on Cumberland County
without Agreement**



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Ms. Cardinali reviewed the tenants of the agreement as facilitated by the School of Government that was agreed on and supported by the County and all municipalities therein.

Tenants of Successful Agreement

School of Government facilitated work group's creation of successful agreement tenants

Address short and long-term impacts of annexation on sales tax:

- Equitable impact
- Protect and stabilize sufficient revenue to provide basic mandated services
- Acknowledge role and value of each jurisdiction and issues shared by all

Solution agreed on and supported by ALL

Ms. Cardinali provided highlights of the current distribution agreement outlined below. Ms. Cardinali stated the County lost dollars prior to 2001 and a portion of those losses or around \$2 million was brought back to the County. Ms. Cardinali noted that the current agreement under which the County and all municipalities are operating will end June 30, 2019, which is why it is relevant to have discussions regarding a sales tax agreement.

Current Distribution Agreement

Reimbursement per agreement:

- A portion of losses prior to 2003
- Beginning 2003 - 50% of sales tax gains by cities and towns from annexations shared with County

Represents a "win-win" for all jurisdictions:

- Recognizes County's undiminished obligations to provide basic human services, including education
- Acknowledges financial responsibility of cities & towns due to annexation
 - Cities and towns retain 50% of sales tax gain from annexation
- Original agreement expired on June 30, 2013
- The County and all municipalities, except Fayetteville, agreed to extend the agreement through June 30, 2023
- Agreement extended by all parties through June 30, 2016
- In 2016, the agreement was extended through June 30, 2019

Ms. Cardinali reviewed a one year snapshot outlined below should the current agreement expires and the County maintain a per capita distribution. Ms. Cardinali stated \$6 million would move from the County and \$1 million would move from the schools resulting in a gain of almost \$7 million, predominantly with the City of Fayetteville.

Financial Impact of Current Agreement Expiration

	FY 2015 Per Capita Distribution (no agreement)	FY 2015 Per Capita Distribution (w/agreement)	Net Gain / (Loss)
Cumberland County	\$30,656,635	\$36,605,113	\$(5,948,478)
County Schools	9,458,762	10,542,502	(1,083,740)
Fayetteville	37,214,408	30,377,116	6,837,292

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Ms. Cardinali stated the County’s service responsibility is not significantly reduced by annexation. Ms. Cardinali compared county mandated services to city mandated services as outlined below.

NCGS Mandates Services

County	City
Law enforcement	Building code enforcement
Jails	
Medical examiner	
Courts	
Building code enforcement	
Public schools	
Social services	
Public health	
Deed registration	
Election administration	
Tax assessment	
Child support enforcement	
Community college – capital outlay	

County Services

County service responsibility is not significantly reduced by annexation.

County services are available to *all* citizens without regard to where they live within the county.

- Schools, social services, child support, health, mental health, jail, public safety, Register of Deeds, Board of Elections

County provides quality of life services: animal control, libraries, FTCC, veterans services, cooperative extension

Ms. Cardinali reviewed the Board of Commissioners’ options should the current agreement expire and stated in the FY18 budget, the County reduced operating expenses by almost \$4 million and significantly cut library hours and almost all part-time positions countywide. Ms. Cardinali stated additionally the Board approved a small tax increase. Ms. Cardinali stated the first two options may be more difficult for the Board of Commissioners when considering the adopted FY18 budget.

Options – Current Agreement Expires

- Potential reduction to services
- Potential tax increase to ALL county residents
- Change sales tax distribution method
- All municipalities lose revenue

Ms. Cardinali reviewed the following snapshot of the estimated impact on each municipality if the Board of Commissioners were to change the current distribution method to ad valorem. Ms. Cardinali stated although the dollar losses may not appear large, the County realizes they are impactful to each and every budget.

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Estimated Impact of Change in Distribution Method as of 2015

Municipality	Projected Sales Tax Net Loss	Tax Increase Needed for Revenue Loss
Eastover	\$ (422,161)	0.16
Falcon	(52,159)	0.37
Godwin	(11,695)	0.09
Hope Mills	(1,118,044)	0.11
Linden	(17,178)	0.22
Spring Lake	(492,435)	0.11
Stedman	(84,010)	0.10
Wade	(69,790)	0.20

Ms. Cardinali concluded her presentation and stated the agreement the working group came up with many years ago continues to minimize budget implications for all jurisdictions in the County.

Community Issue

- This is a community issue.
 - It does not reside with the City of Fayetteville and Cumberland County alone.
 - This agreement directly impacts ALL residents, regardless of where they reside within the county.
- Maintaining the current agreement:
 - Minimizes budget implications for ALL jurisdictions in the county.
 - Maintains the “win-win” solution.

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4. COMMENTS FROM SALES TAX COMMITTEE MEMBERS

In response to a question posed by Commissioner Council, Ms. Cardinali stated the distribution method would have to be designated in the month of April in any given fiscal year, which gives the units of government very little time to react, plan and prepare for any potential reduction of revenue. Commissioner Council stated it is important that the Committee function and her goal was to give all parties time to think about the situation and submit suggestions. Commissioner Council stated she has not received any proposals to date, and the agreement through June 30, 2023 that the County and all municipalities agreed on except the City of Fayetteville, is still sitting on the Mayor's desk.

Mayor Warner stated at the April meeting, Mayor Robertson indicated he did not feel he could vote on the agreement at that time because he had not conferenced with the City Council. Mayor Warner stated her question is whether that has happened since the April meeting and whether has the City of Fayetteville has come up with suggestions or proposals. Chairman Adams stated he as Chairman has not received anything from the City of Fayetteville since the April meeting. Mayor Warner asked whether the County Commissioners can continue the current method without all municipalities agreeing. Chairman Adams stated he asked the County Attorney whether the County could hold municipalities harmless through a sales tax distribution agreement and the answer was no.

Chairman Adams stated before he leaves the office of Chairman, he must bring some finality to the matter so he asked Commissioner Council to convene a meeting, and even with the general election coming up, the County still needs feedback from Mayors as to what they want in the agreement. Mayor Turpin stated it is obvious to him that the municipalities have spoken because all municipalities except for the City of Fayetteville signed the agreement extension to 2023. Mayor Turpin stated if anyone is to bring something forward, it should be alternatives from the City of Fayetteville. Mayor Turpin stated if the County and eight of the municipalities do not change and if the City of Fayetteville is not going to change, then the County has no other alternative than to do what it needs to do.

Mayor Warner stated because this keeps coming up at the Mayors' Coalition, the amount the City of Fayetteville receives from the sales tax distribution needs to be stated, particularly because Fayetteville keeps saying how much it has lost with the other municipalities taking money away from it. Mayor Warner stated a \$1 million cut for Hope Mills would be drastic so it would be helpful to know what the City of Fayetteville is gaining and has gained over the past several years. Chairman Adams stated everything Fayetteville got was a gain, although Fayetteville looks at it differently, but this agreement as opposed to ad valorem makes a lot of sense.

Butch Watson, Finance Director Town of Spring Lake, stated when considering revaluation, the 0.11 for the Town of Spring Lakes becomes 0.13 to 0.15 and many of the other municipalities are similarly affected.

Mayor Warner stated the Mayors' Coalition as a body has tried to be diplomatic and negotiate with the City of Fayetteville, and has asked the City of Fayetteville to say what it will agree to

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but has gotten nothing. Mayor Warner stated this meeting seemed like a good opportunity because at the April meeting, the City of Fayetteville was going back to the table and bring back something to the Committee. Mayor Warner stated the Committee does not know whether the City of Fayetteville has done anything and with no representation at this meeting, it appears that things are heading towards dissolving the agreement because there will not be a 100% vote of the municipalities.

Amy Cannon, County Manager, stated she was a member of the work group that crafted the initial agreement along with Commissioner Council. Ms. Cannon stated there was a lot of hard work and time put into developing that agreement, and all the municipalities, the County and the school system were represented. Ms. Cannon stated when the agreement was finalized, everyone felt it was indeed a win-win because without the agreement, the county would lose significantly with per capita distribution and all the municipalities would lose under ad valorem distribution. Ms. Cannon stated it seemed to be an equitable agreement, and it is a community issue with one pot of money that should be divided and shared in some manner. Ms. Cannon stated the agreement spoke well of the community when its leaders came together and found a compromise that seemed to be long term as opposed to short term.

Ms. Cannon stated she encouraged Commissioner Council to hold the meeting because although it seems like budgets were just completed yesterday, it is time to begin the budget process once again. Ms. Cannon stated this is a significant budget item for all local governments in the community.

Commissioner Council thanked everyone for attending.

5. ADJOURN

There being no further business, the meeting adjourned at 12:35 p.m.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

~~ITEM NO~~ **HOLDER 5.B.**
Assistant County Manager

TRACY JACKSON
Assistant County Manager

SALLY S. SHUTT
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER

THRU: AMY H. CANNON, COUNTY MANAGER

DATE: OCTOBER 22, 2018

SUBJECT: DISCUSSION OF PROPOSED AMENDMENT TO SALES TAX
DISTRIBUTION INTERLOCAL AGREEMENT

Requested by: Finance Committee

Presenter: Amy Cannon, County Manager

Estimate of Committee Time Needed: 10 Minutes

BACKGROUND:

On October 5, 2018 Chairman Lancaster provided a proposed amendment to the Sales Tax Distribution Interlocal Agreement to the City of Fayetteville via Mayor Colvin. The City of Fayetteville responded with a counter proposal which would:

- Renew the sales tax agreement with County and Towns for 10 years.
- Keep future reimbursements from the City to the County at the FY2018 level of approximately \$7.3 million for all 10 years.
- And begin phasing out the reimbursements from the City to the Towns over a 5-year period. Reimbursements from the City to the Towns would cease in year 6 of the agreement.

The goals of the Fayetteville proposal include development of an agreement that includes:

- A cap on growth over a 10-year term.
- An agreement that is ultimately between the City and County only.
- An agreement that is long-term.

The current agreement expires June 30, 2019. If it is the desire of the Finance / Sales Tax committee to craft a new agreement, it would be needed by March 30, 2019. Any formal change in the sales tax distribution method must occur in April 2019 to be effective with the 2019-20 fiscal year.

RECOMMENDATION/PROPOSED ACTION:

For discussion purposes only.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 6.A.
DUANE T. HOLDER
Assistant County Manager

TRACY JACKSON
Assistant County Manager

SALLY S. SHUTT
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER

THRU: AMY H. CANNON, COUNTY MANAGER

DATE: OCTOBER 22, 2018

SUBJECT: MONTHLY HEALTH INSURANCE REPORT

Requested by: Finance Committee

Presenter: N/A

Estimate of Committee Time Needed: For Information Only

BACKGROUND:

Total health insurance claims for FY19 are down 12% for the month of September as compared to the same month in FY18. To provide some perspective on the claims, below is the 3-month average for the past 5 fiscal years. This average represents the average claims for July - September of each fiscal year. Additionally, graphs are provided as an aid to the analysis.

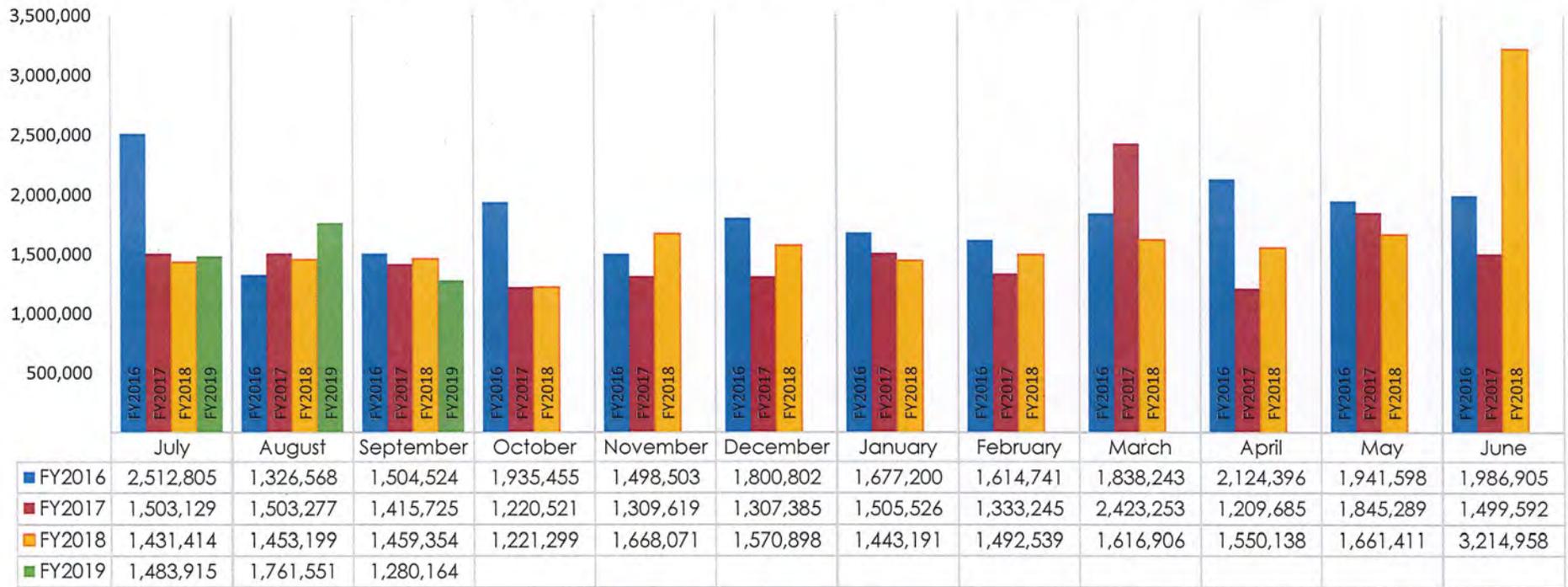
Average claims per fiscal year through September:

FY15 \$1,667,586
FY16 \$1,781,299
FY17 \$1,474,044
FY18 \$1,447,991
FY19 \$1,508,543

RECOMMENDATION/PROPOSED ACTION:

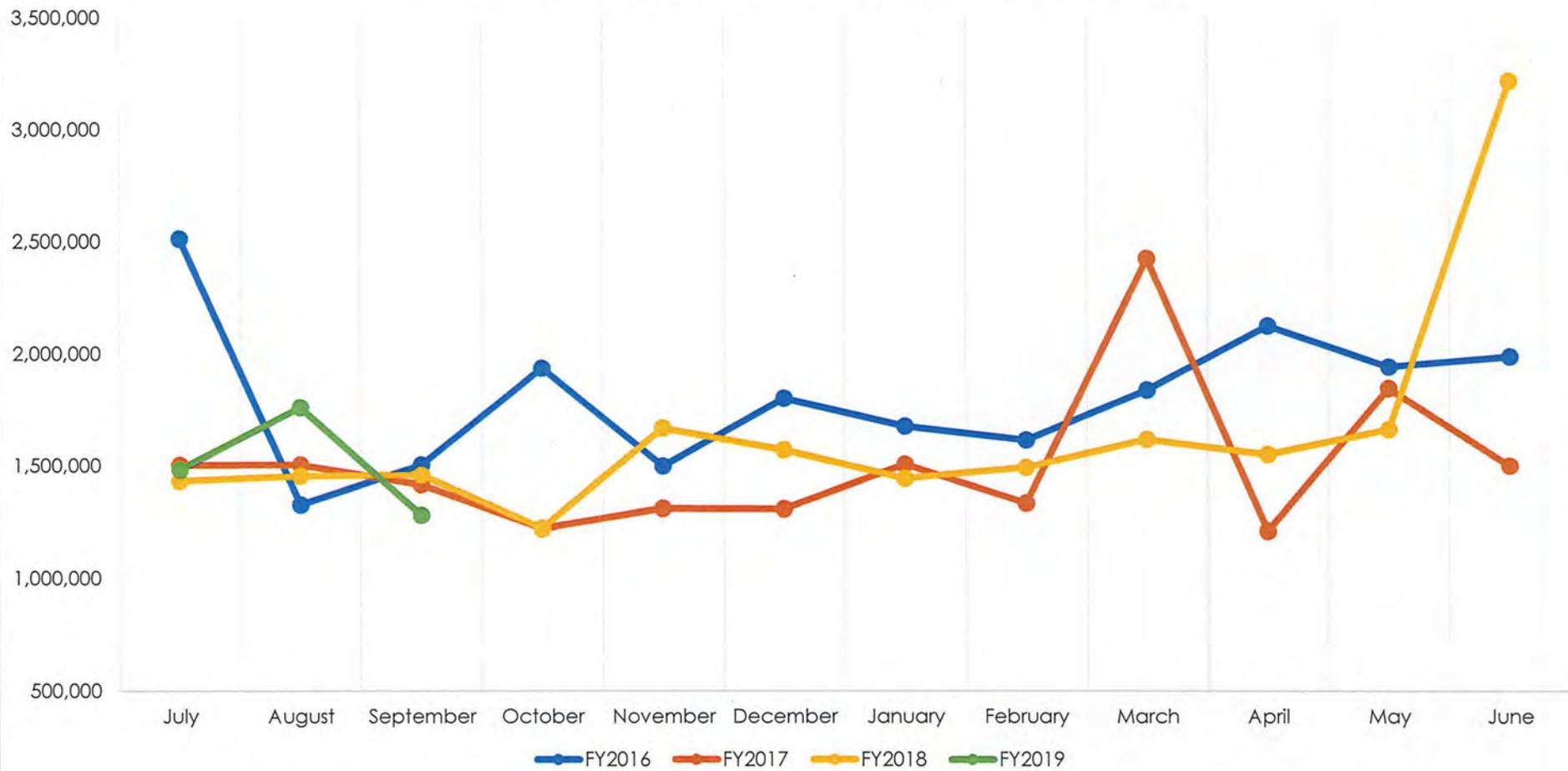
No action needed – for information only.

Monthly Insurance Claims FY16-FY19



■ FY2016 ■ FY2017 ■ FY2018 ■ FY2019

Monthly Insurance Claims FY16 - FY19



**CUMBERLAND COUNTY CDBG-DR PROGRAM UPDATE
FOR THE NOVEMBER 1, 2018
FINANCE COMMITTEE MEETING**

Status as of October 23, 2018:

Total Applications	County Application Intake (Step 1)	State Eligibility Check (Step 2)	State Duplication of Benefits Check (Step 3)	State Under Further Review /Withdrawn /Ineligible
289	64 (15 county/49 city)	19 (5 county/14 city)	81 (14 county/67 city)	26 / 13 / 4
State Inspection & Environmental Review (Step 4)	State Grant Determination (Step 5)	Contractor Selection (Step 6)	Construction (Step 7)	Completion (Step 8)
62 (10 county/52 city)	19 (3 county/16 city)	0	0	0

**Step 1 performed by County; Steps 2-5 performed by State; 6-8 performed by County/City/State*

Milestones/Activities:

- Request for Project Management Proposal – Review completed – recommendation at upcoming Board meeting
- Board approved proposed Amendment to CDBG-DR Agreement between State and County submitted to Commerce/HUD;
- Ongoing– County processing applications and submitting to State for eligibility review;
- Two homeowners closing for reimbursements pending State scheduling - (closing will be held at County Community Development office by State contracted staff with County staff present);
- State implemented and opened Regional Intake Centers – this will also allow applicants to apply at any center (non-Cumberland residents – 2 *Tier II Counties*) Cumberland County Center receives applicants from various counties.
- Robins Meadow Permanent Supportive Housing Project under State review. Draft RFQ A/E Services under review.

Current Staffing:

- State: – David Calthorn, CD Specialist II, Dept. of Public Safety – (Community Outreach for CDBG-DR)
- Cumberland County:
 - Sylvia McLean, P.T. Community Development (CD) Consultant; Terrinique Washington, Admin Support Specialist; Tye Vaught, Admin Program Officer II; Chavaugh McLamb, Admin Housing Coordinator II
- City of Fayetteville: Jay Reinstein and Cindy Blot, CD Director; Anedra Walls, Admin Assistant

Hours of Operation (Cumberland County Application Intake Center):

- Monday – Friday, 9 a.m. to 4 p.m.
- Location – Cumberland County Community Development Dept – 707 Executive Place

VICKI EVANS
Finance Director



ITEM NO. 6.C.

ROBERT TUCKER
Accounting Supervisor

IVONNE MENDEZ
Accounting Supervisor

FINANCE OFFICE

4th Floor, Room No. 45I, Courthouse • PO Box 1829 • Fayetteville, North Carolina 28302-1829

**MEMO FOR THE AGENDA OF THE NOVEMBER 1, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: VICKI EVANS, FINANCE DIRECTOR

THRU: AMY CANNON, COUNTY MANAGER

DATE: OCTOBER 25, 2018

SUBJECT: MONTHLY FINANCIAL REPORT – FISCAL YEAR 2019,
SEPTEMBER YEAR-TO-DATE

Requested by: Finance Committee

Presenter(s): Vicki Evans, Finance Director

Estimate of Committee Time Needed: For information only

BACKGROUND

The financial report is included which shows results of the general fund for the first quarter of fiscal year 2019. Results of fiscal year ended 2018 will be added upon completion of the audit. Additional detail has been provided on a separate page explaining any percentages that may appear inconsistent with year-to-date budget expectations.

RECOMMENDATION/PROPOSED ACTION

No action needed – for discussion and information purposes only.

Celebrating Our Past... Embracing Our Future

**County of Cumberland
General Fund Revenues**

REVENUES	YTD ACTUAL			PERCENT OF BUDGET TO DATE	*
	FY18-19 ADOPTED BUDGET	FY18-19 REVISED BUDGET	AS OF September 30, 2018		
Ad Valorem Taxes					
Current Year	\$ 163,777,000	\$ 163,777,000	\$ 22,926,753	14.0%	(1)
Prior Years	1,121,000	1,121,000	528,394	47.1%	
Motor Vehicles	18,326,000	18,326,000	4,934,762	26.9%	(2)
Penalties and Interest	500,000	500,000	149,088	29.8%	
Other	908,000	908,000	260,213	28.7%	
Total Ad Valorem Taxes	<u>184,632,000</u>	<u>184,632,000</u>	<u>28,799,209</u>	<u>15.6%</u>	
Other Taxes					
Sales	42,625,774	42,625,774	-	0.0%	(3)
Real Estate Transfer	700,000	700,000	418,703	59.8%	
Other	1,060,000	1,060,000	160,363	15.1%	
Total Other Taxes	<u>44,385,774</u>	<u>44,385,774</u>	<u>579,066</u>	<u>1.3%</u>	
Unrestricted & Restricted Intergovernmental Revenues	62,049,904	63,549,113	5,180,818	8.2%	(4)
Charges for Services	12,312,681	12,319,181	2,929,710	23.8%	
Other Sources (includes Transfers In)	2,442,205	2,522,386	348,308	13.8%	
Proceeds Refunding Bonds	-	-	-	0.0%	
Premium on COPS Sold	-	-	-	0.0%	
County Closing Contribution	-	-	-	0.0%	
Lease Land CFVMC	3,714,637	3,714,637	3,533,596	95.1%	(5)
Total Other	<u>6,156,842</u>	<u>6,237,023</u>	<u>3,881,904</u>	<u>62.2%</u>	
Total Revenue	\$ 309,537,201	\$ 311,123,091	\$ 41,370,707	13.3%	
Fund Balance Appropriation	7,447,195	12,777,470	-	0.0%	
Total Funding Sources	\$ 316,984,396	\$ 323,900,561	\$ 41,370,707	12.8%	

**County of Cumberland
General Fund Expenditures**

DEPARTMENTS	FY18-19	FY18-19	YTD ACTUAL	PERCENT OF
	ADOPTED BUDGET	REVISED BUDGET	AS OF September 30, 2018	BUDGET TO DATE **
Governing Body	\$ 628,960	\$ 628,960	\$ 224,910	35.8%
Administration	1,525,894	1,565,394	396,568	25.3%
Public Affairs/Education	497,286	498,286	125,760	25.2%
Human Resources	924,551	924,551	255,171	27.6%
Print, Mail, and Design	788,684	788,684	225,601	28.6%
Court Facilities	156,220	156,220	24,554	15.7%
Facilities Maintenance	1,024,101	1,024,101	293,278	28.6%
Landscaping & Grounds	669,140	669,140	186,125	27.8%
Carpentry	162,507	162,507	45,638	28.1%
Facilities Management	1,316,856	1,316,856	344,929	26.2%
Public Buildings Janitorial	724,839	724,839	191,915	26.5%
Central Maintenance	948,724	948,724	165,059	17.4%
Information Services	4,336,330	7,065,471	1,170,667	16.6%
Board of Elections	2,237,329	2,237,329	703,538	31.4%
Finance	1,295,351	1,295,351	326,628	25.2%
Legal	804,578	804,578	202,217	25.1%
Register of Deeds	2,394,577	2,846,373	539,896	19.0%
Tax	5,683,071	5,820,571	1,564,052	26.9%
Debt Service	-	-	-	0.0%
General Government Other	3,967,735	4,555,235	853,842	18.7%
Sheriff	52,720,576	53,028,066	13,214,393	24.9%
Emergency Services	3,674,666	3,976,373	1,142,676	28.7%
Criminal Justice Pretrial	564,038	564,038	131,209	23.3%
Youth Diversion	63,654	63,654	9,334	14.7% (1)
Animal Control	3,248,915	3,289,951	883,746	26.9%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,444,268	1,444,268	205,892	14.3% (2)
Heath	23,104,110	23,291,125	5,962,435	25.6%
Mental Health	5,463,227	5,463,227	2,505,833	45.9%
Social Services	60,359,879	60,539,520	15,186,881	25.1%
Veteran Services	408,159	408,159	115,760	28.4%
Child Support	5,205,713	5,205,713	1,255,989	24.1%
Spring Lake Resource Administration	34,332	34,332	6,562	19.1%

**County of Cumberland
General Fund Expenditures**

DEPARTMENTS	FY18-19	FY18-19	YTD ACTUAL	PERCENT OF	**
	ADOPTED BUDGET	REVISED BUDGET	AS OF September 30, 2018	BUDGET TO DATE	
Library	10,807,325	10,814,625	2,884,482	26.7%	
Stadium Maintenance	117,296	117,296	26,756	22.8%	
Culture Recreation Other (Some of the Community Funding)	268,069	268,069	85,000	31.7%	
Planning	3,522,591	3,528,841	846,119	24.0%	
Engineering	1,987,178	1,987,178	518,309	26.1%	
Cooperative Extension	717,173	717,173	156,574	21.8%	
Location Services	315,177	315,177	35,994	11.4%	(3)
Soil Conservation	142,570	347,875	62,982	18.1%	
Public Utilities	87,153	87,153	22,560	25.9%	
Economic Physical Development Other	20,000	20,000	20,000	100.0%	
Industrial Park	1,104	1,104	307	27.8%	
Economic Incentive	461,677	461,677	28,749	6.2%	(4)
Water and Sewer	250,000	250,000	-	0.0%	(5)
Education	92,457,009	93,143,900	30,628,633	32.9%	
Other Uses:					
Transfers Out	19,451,804	20,498,897	156,543	0.8%	(6)
Refunding of 2009A and 2011B LOBS	-	-	-	0.0%	
TOTAL	\$ 316,984,396	\$ 323,900,561	\$ 83,934,068	25.9%	

Expenditures by Category	FY18-19	FY18-19	AS OF	PERCENT OF
	ADOPTED BUDGET	REVISED BUDGET	September 30, 2018	BUDGET TO DATE
Personnel Expenditures	\$ 140,421,227	\$ 140,594,613	\$ 36,497,692	26.0%
Operating Expenditures	153,678,512	159,282,715	46,342,765	29.1%
Capital Outlay	2,655,876	2,747,359	930,658	33.9%
Debt Service	-	-	-	0.0%
Refunding of 2009A and 2011B LOBS	-	-	-	0.0%
Transfers To Other Funds	20,228,781	21,275,874	162,953	0.8%
TOTAL	\$ 316,984,396	\$ 323,900,561	\$ 83,934,068	25.9%

COUNTY OF CUMBERLAND

Fiscal Year 2019 - September Year-to-Date Actuals (Report Run Date: October 19, 2018)

Additional Detail

General Fund Revenues

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- (1) **Current Year Ad Valorem** 14% -Normal for this time of year. The bulk of revenues are typically recorded between November - January.
- (2) **Motor Vehicles** 26.9% - YTD Actual reflects 2 months of collections.
- (3) **Sales Tax** 0.00% - There is a 3-month lag. Collections for the fiscal year are first recorded in October.
- (4) **Unrestricted/Restricted Intergovernmental** 8.2% - There is typically a one-two month lag in receipt of this funding.
- (5) **Lease Land CFVMC** 95.1% - typically paid in the beginning of the fiscal year.

General Fund Expenditures

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- (1) **Youth Diversion** 14.7% - Staff has not yet been hired. An allocation is done for the administrative assistant that is helping with the program currently.
- (2) **Public Safety Other** 14.3% - Outside agency lag in submitting invoices during the first quarter.
- (3) **Location Services** 11.4% - Vacant position within the department during the first quarter.
- (4) **Economic Incentive** 6.2% - Economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
- (5) **Water and Sewer** 0% - No expenditures were incurred for the first quarter.
- (6) **Transfers Out** 0.8% - Transfers are generally prepared towards the end of the fiscal year.