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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: February 9, 2018

SUBJECT: Finance Committee Special Meeting – Thursday, February 15, 2018

There will be a special meeting of the Board of Commissioners' committees (Finance, Policy and Facilities Committee) on Thursday, February 15, 2018 beginning at 1:00 p.m. in room 564 of the Judge E. Maurice Braswell Cumberland County Courthouse. All committee meetings will start as soon as the previous committee meeting adjourns.

AGENDA

1. Approval of Agenda **(NO MATERIALS)**
2. Update from William R. West, District Attorney on County Funded Assistant District Attorney (ADA) Position **(Pg. 3)**
3. Presentation on Jail Health from Major Tandra Adams, Chief Jailer on Jail Health and Consideration of Southern Health Partners Contract Amendment and Associated Budget Revision **(Pg. 5)**
4. Consideration of Annual School Funding for the Cumberland County School System **(Pg. 21)**
5. Grays Creek Water Contamination - Financial Update on Cost to Run Public Water to the Area Designated as Contaminated Around the Chemours Plant **(Pg. 24)**
 - A. Consideration of Plan to Work with Local, State, Chemours and Citizens Affected by the Contamination **(Pg. 25)**
 - B. Consideration of Professional Services Agreement with Moorman, Kizer & Reitzel, Inc. for the Gray's Creek Water and Sewer District and Interlocal Agreement with PWC **(Pg. 27)**
6. Financial Update of Decreasing Property Values Associated with the Atlantic Coast Pipeline and Properties Affected by the Chemours Contamination **(Pg. 38)**
 - A. Update on Property Values Affected by the Atlantic Coast Pipeline **(Pg. 39)**
 - B. Update on Property Values Affected by the Chemours (GenX) Contamination **(Pg. 41)**

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CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

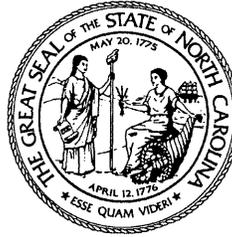
BOARD OF COMMISSIONERS

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Deputy Clerk

7. Update of Health Benefits of Cumberland County Employees and Possible Alternatives to Our Current Program (**Pg. 43**)
 - A. Update on Cumberland County Health Benefits and Broker/Consultant Arrangement (**Pg. 44**)
 - B. Monthly Health Insurance Report (**Pg. 46**)
8. Consideration of Internal Audit Plan (**Pg. 49**)
9. Consideration of Statewide Opioid Litigation Process (**Pg. 52**)
10. Monthly Financial Report (**Pg. 73**)

cc: Board of Commissioners; County Administration; Vicki Evans, Finance Director; Tammy Gillis, Director of Internal Audit and Wellness Services; County Legal; County Department Head(s); Sunshine List



BILLY WEST
DISTRICT ATTORNEY

117 DICK STREET, SUITE 427
FAYETTEVILLE, NORTH CAROLINA, 28301

TELEPHONE 910-475-3010
FACSIMILE 910-475-3035

DATE: January 24, 2018
TO: County Manager Amy Cannon
FROM: District Attorney Billy West
RE: Cumberland County Detention Facility Efforts

I wanted to provide you with an update on our efforts to deal with the daily population and various other issues related to the Cumberland County Detention Facility.

My office is indebted to the Board of Commissioners for funding an Assistant District Attorney through the Administrative Office of the Courts. This allows us to commit time and effort by Senior Assistant District Attorneys in trying to deal with the jail population and other jail issues on a daily basis.

We are particularly grateful for the assistance of Jail Administrator Major Adams and Jail Coordinator Janice Davis. Our ability to successfully address jail issues is only possible with their total cooperation.

For the 1 year period from January 1 – December 31, 2017, we have reduced the number of inmate days of confinement through our jail acceleration program as follows:

Inmate cost per day	\$75.55
Number of days of confinement saved	6,165
Savings this period	\$465,765.75

Our staff, with the assistance of Jail Administrator Major Adams and Jail Coordinator Janice Davis, has also greatly reduced the transportation costs associated with moving inmates from other detention facilities to the Cumberland County Detention Facility for court dates. By daily monitoring cases requiring transportation, we are able to, in some cases, alleviate the need for a transport or insure that if an inmate is transported his or her cases are expedited. Therefore, we are able to prevent the inmate from unnecessarily being confined in our facility with our County responsible for the daily cost of the inmate.

We also work diligently on a daily basis to expedite the cases of inmates with high cost medical issues. By resolving these inmates' cases efficiently, the County's responsibility for this high cost medical care is greatly reduced.

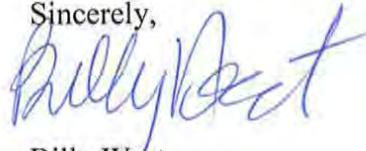
Cumberland County continues to have a strong working relationship with the North Carolina Department of Health and Human Services Cherry Hospital in Goldsboro where many of the State's inmates with mental health issues are treated and housed. We are constantly communicating with Cherry Hospital through its Director of Psychology Dr. Steven Peters to appropriately address any Cumberland County inmates' mental health issues particularly whether an inmate is competent to proceed to trial. If a Cumberland County inmate's competency has been restored at Cherry Hospital, we efficiently transport the inmate to Cumberland County and proceed with their case. Likewise, if an inmate in our detention facility appears to not be competent to proceed to trial we quickly transport them to Cherry Hospital in order for the inmate to receive the needed mental health treatment.

In the past few weeks, we have partnered with the Public Defender's Office and Chief District Court Judge Robert Stiehl to start the Community Jail Initiative. The Initiative's goal is to help reduce the number of mental health inmates in the Cumberland County Detention Facility. The Community Jail Initiative meets weekly and has court sessions every other Tuesday morning at 8:00 am at the Detention Facility.

While it is difficult to quantify an exact amount saved, our daily attention to transportation costs, medical issues, and mental health issues certainly has saved over the past year period, thousands of dollars. The \$465,765.75, savings from our jail acceleration program and the thousands of dollars in savings due to our daily attention to the previously mentioned issues would not be possible without the commitment by our Board of Commissioners to fund an Assistant District Attorney.

In closing, I would like to recognize the constant efforts of our District and Superior Court Judges and the Office of the Clerk of Court. Without their total cooperation, we would not be able to achieve the success this report reflects.

Sincerely,



Billy West
District Attorney

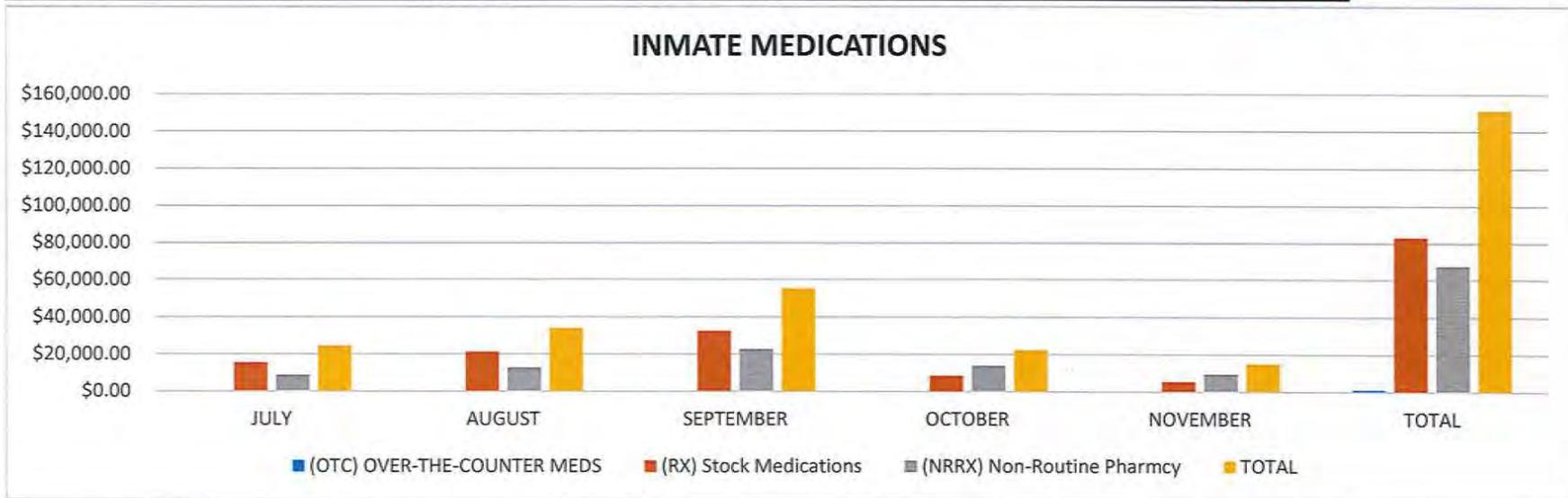
BW/sp



**CUMBERLAND COUNTY DETENTION CENTER
INMATE MEDICAL ISSUES & SAVINGS
USING SOUTHERN HEALTH PARTNERS**

MAJOR TANDRA ADAMS-JAIL ADMINISTRATOR

INMATE MEDICATIONS	(OTC) OVER-THE-COUNTER MEDS	(RX) Stock Medications	(NRRX) Non-Routine Pharmacy	TOTAL
JULY	\$315.46	15,335.20	8,787.68	24,438.34
AUGUST	\$154.32	21,242.30	12,593.64	33,990.26
SEPTEMBER	\$268.93	32,485.85	22,806.74	55,561.52
OCTOBER	\$137.19	8,573.52	13,706.50	22,417.21
NOVEMBER	\$127.52	5,337.33	9,547.32	15,012.17
TOTAL	1,003.42	82,974.20	67,441.88	151,419.50



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*Pharmacy prices are already at the lowest rates that can be charged

*Quality mobile x-rays has already been negotiated with to discount the prices they charge

*Inmates receiving dialysis and chemotherapy will always received extra expenses

*High cost of non-routine pharmacy medications is due to HIV meds, chemotherapy, and dialysis

*Everything over \$100, 000.00 is itemized

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INMATES ADMITTED TO HOSPITAL

DATE OF SERVICE	INMATE NAME	ORIGINAL AMOUNT	ADJUSTED AMOUNT	INVOICED AMOUNT
4/13/2017	2017-0001TF	\$30,138.98	\$26,267.98	\$3,871.00
7/11/2017	2017-0002JFC	\$83,731.22	\$53,275.22	\$30,456.00
7/15/2017	2017-0003BRH	\$2,568.56	\$2,087.76	\$480.80
7/21/2017	2017-0004RAB	\$19,541.96	\$13,865.96	\$5,676.00
8/4/2017	2017-0005PH	\$123,851.18	\$116,318.97	\$7,532.21
09/07/2017	2017-0006CJE	\$1,309.25	\$1,051.21	\$258.04
9/11/2017	2017-0007JW	\$7,514.74	\$6,819.42	\$695.32
9/30/2017	2017-0008WCD	\$68,249.50	\$60,988.50	\$7,261.00
10/29/2016	2016-0009MLH	\$8,019.70	\$6,562.70	\$1,457.00
		\$344,925.09	\$287,237.72	\$57,687.37

TOTAL AMOUNT WE SAVED

TOTAL AMOUNT WE PAID

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There were a total of 12 Hospital Admissions however the 3 listed below were covered by Medicaid and saved us a total of \$59,829.03.

2017-0031SM	\$14,651.94
2017-0032JJ	\$23,741.22
2017-0033CM	<u>\$21,435.87</u>
Total	\$59,829.03

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TOTAL OFF SITE HOSPITAL VISITS AND SERVICES FOR THE YEAR

DATE	INMATE NAME	VENDOR NAME	ACCOUNT	AMOUNT CHARGED	ADJUSTED AMOUNT	INVOICED AMOUNT	
07/11/2017	2017-0002JFC	Cumberland Co. Hospital System -	Inpatient-Surgery	\$83,731.22	(\$53,275.22)	\$30,456.00	
07/31/2017	JULY BILL LAB	Garcia Clinical Laboratory	Laboratory	\$337.00	0.00	\$337.00	
08/31/2017	AUGUST BILL LAB	Garcia Clinical Laboratory	Laboratory	\$1,654.68	0.00	\$1,654.68	
07/20/2017	2017-0004RAB	CAROLINA KIDNEY CARE	Inpatient	\$260.00	(\$78.00)	\$182.00	
07/20/2017	2017-0004RAB	Fayetteville Associates	Inpatient	\$65.00	(\$19.50)	\$45.50	
07/20/2017	2017-0004RAB	Fayetteville Associates	Inpatient	\$80.00	(\$24.00)	\$56.00	
07/20/2017	2017-0004RAB	VALLEY RADIOLOGY	Inpatient	\$175.00	(\$113.98)	\$61.02	
07/20/2017	2017-0004RAB	VALLEY RADIOLOGY	Inpatient	\$456.00	(\$318.22)	\$137.78	
08/04/2017	2017-0004RAB	Fayetteville Associates	Inpatient	\$41.00	(\$12.30)	\$28.70	
08/04/2017	2017-0004RAB	Fayetteville Associates	Inpatient	\$20.00	(\$6.00)	\$14.00	
08/04/2017	2017-0004RAB	Fayetteville Associates	Inpatient	\$77.00	(\$23.10)	\$53.90	
07/11/2017	2017-0002JFC	Fayetteville Associates	Inpatient-Surgery	\$23.00	(\$6.90)	\$16.10	
07/11/2017	2017-0002JFC	Valley Medical Associates	Inpatient-Surgery	\$495.00	(\$171.24)	\$323.76	
07/11/2017	2017-0002JFC	Valley Medical Associates	Inpatient-Surgery	\$510.00	(\$166.52)	\$343.48	
09/30/2017	2017-0010SBL	Garcia Clinical Laboratory	Laboratory	\$1,301.34	0.00	\$1,301.34	
07/18/2017	2017-0011BF	Cumberland Co. Hospital System -	Outpatient	\$7,770.92	(\$5,680.48)	\$2,090.44	
08/03/2017	2017-0012TF	RICHARD SHEREFF, MD, PA	Outpatient	\$76.00	(\$22.80)	\$53.20	
08/07/2017	2017-0013BS	CAPE FEAR ORTHOPAEDIC CLINIC	Outpatient	\$929.00	(\$421.92)	\$507.08	
08/08/2017	2017-0014CO	CAPE FEAR ORTHOPAEDIC CLINIC	Outpatient	\$380.00	(\$174.68)	\$205.32	
08/09/2017	2017-0015AH	CAPE FEAR ORTHOPAEDIC CLINIC	Outpatient	\$595.00	(\$283.56)	\$311.44	
09/05/2017	2017-0015AH	CAPE FEAR ORTHOPAEDIC CLINIC	Outpatient	\$235.00	(\$107.50)	\$127.50	
07/11/2017	2017-0002JFC	SURAJIT CHAUDHURI MD PA	Inpatient-Surgery	\$650.00	(\$201.78)	\$448.22	
07/11/2017	2017-0002JFC	VALLEY CARDIOLOGY	Inpatient-Surgery	\$555.00	(\$166.50)	\$388.50	
10/31/2017	OCTOBER BILL LAB	Garcia Clinical Laboratory	Laboratory	\$731.50	0.00	\$731.50	
08/15/2017	2017-0016NS	CAROLINA INFECTIOUS DISEASE	Outpatient	\$225.00	(\$48.72)	\$176.28	
08/28/2017	2017-0017GG	VALLEY RADIOLOGY	Outpatient	\$200.00	(\$129.16)	\$70.84	
08/28/2017	2017-0017GG	VALLEY REGIONAL INAGING	Outpatient	\$557.00	(\$290.04)	\$266.96	
09/07/2017	2017-0006CJE	Cumberland Co. Hospital System -	Outpatient	\$1,309.25	(\$1,051.21)	\$258.04	
09/13/2017	2017-0018CC	Village Surgical Assoc	Outpatient	\$275.00	(\$117.68)	\$157.32	
07/25/2017	2017-0011BF	CAPE FEAR VALLEY ANESTHESIA	Outpatient-Surgery	\$693.00	(\$207.90)	\$485.10	
11/30/2017	NOVEMBER BILL LAB	Garcia Clinical Laboratory	Laboratory	\$1,055.09	0.00	\$1,055.09	
		TOTAL		\$105,463.00	\$63,118.90	\$42,344.09	TOTAL SPENT ON OFF-SITE VISITS

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MEDICAL ISSUES THROUGHOUT DETENTION CENTER

MENTAL HEALTH	321
HIGH BLOOD PRESSURE	88
HIGH CHOLESTEROL	3
OBESITY	28
SUBSTANCE ABUSE TREATMENT	27
SEIZURES	16
PREGNANCIES	20
DIABETES	<u>34</u>
TOTAL	537

INMATES WITH EXTREMELY LOW BONDS WHICH NEED VERY EXPENSIVE MEDICAL CARE

*2017-0019MMS

- Diagnosed with liver cancer
- \$500 Bond
- Court scheduled on March 2018
- Will need to attend chemotherapy treatments

*2017-0020RLP

- 2nd day at detention center sent to hospital
- Intestines protruding through bag
- Sentenced to 10 days
- Emergency surgery

*2017-0021WBC

- Homeless Individual
- \$5,000 Larceny Case
- Court scheduled on February 2018
- Sentenced to 10 days for Solicit Alms
- Suicidal, Violent, Threats to Law Enforcement

*2017-0022JWD

- Solicit Alms
- 20 days in Jail
- Medical will cost money
- Court scheduled on March 2018

*2017-0023KHD

- \$600 Bond
- 2nd degree trespassing and open counter
- Seizures, escape risk
- Court Schedule on January 2018

CONT. INMATES WITH EXTREMELY LOW BONDS
WHICH NEED VERY EXPENSIVE MEDICAL CARE

*2017-0024IMM

- \$500 Bond
- Came to Jail on January 2018
- 1073 (Mental) Issues
- Court scheduled on February 2018

*2017-0025JJN

- Came to Jail on February 2017
- Known 1073 (Mental) Issues
- Misuse of 911 system and 2nd degree trespass
- Court scheduled on March 2018

*2017-0026DAP

- 1073 (Mental) Issues
- Escape risk
- Violent to law enforcement
- 2nd degree trespassing
- Court Scheduled on January 2018

*2017-0027MDR

- \$1,000 Bond
- 2nd degree trespassing
- Some Medical issues
- Court Scheduled on April 2018

*2017-0028OLS

- \$5,000 Bond
- Indecent Exposure (Urinating in Public)
- Severe Medical Issues
- Court Scheduled on January 2018

Facility: **Cumberland NC**
 SHP Region Representative: Shelly Weaver
 SHP VP of Operations: Krystal Souders

ADP Limit: 778

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Totals	Average per Month	Percentage Seen of ADP
# of Hospital Admissions							2	3	2	4	0	1	12	2	0%
# Sent to Emergency Room							3	11	6	11	1	4	36	6	1%
# Outside Medical visits (includes any speciality)							2	12	13	14	7	11	59	10	1%
# of In-House X-Rays Services							3	20	15	17	9	24	88	15	2%
# Seen On-Site By Mental Health							159	201	432	508	421	259	1980	330	44%
# Seen by Physician and/or Physician							33	42	57	57	34	63	286	48	6%
# Seen by Dentist (includes on-site &							13	20	23	32	23	22	133	22	3%
# of Receiving Screens done by							155	185	0	0	0	0	340	57	7%
# Seen by Medical Staff for Sick Call							930	651	448	887	1032	1067	5015	836	110%
# of History and Physicals Performed							115	28	234	246	313	299	1235	206	27%
# of RPR's performed (STD's)							131	40	160	124	133	142	730	122	16%
# of Other Sexually Transmitted Diseases							3	0	3	3	3	7	19	3	0%
# of Medical Refusals by Inmate							11	25	41	112	85	148	422	70	9%
# of Inmate Blood Sugar Checks							1116	562	561	732	659	754	4384	731	96%
# of Inmate Blood Pressure Checks							40	256	329	222	208	333	1388	231	31%
# of TB Screens and/or PPD Tests							32	8	234	246	313	299	1132	189	25%
# of Staph/MRSA Patients In-house							2	1	45	9	2	3	62	10	1%
# of Pregnant Females							2	3	4	7	3	1	20	3	0%
# of HIV Patients In-House							5	5	9	16	9	13	57	10	1%
# of Inmates Placed on Suicide Watch							13	32	50	51	33	29	208	35	5%
# of Inmate Deaths							1	0	0	0	0	0	1	0	0%
# of Inmates on Detox Protocols							6	34	54	40	19	22	175	29	4%
Average Daily Population per Month:							783	782	761	758	743	718	4545	758	

80000



**ENNIS W. WRIGHT, SHERIFF
CUMBERLAND COUNTY SHERIFF'S OFFICE**



An Internationally Accredited Law Enforcement Agency

EW

**MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018 MEETING
OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: ENNIS WRIGHT, SHERIFF
DATE: FEBRUARY 8, 2018
SUBJECT: CONSIDERATION OF BUDGET REVISION FOR JAIL HEALTH CONTRACT
Requested by: ENNIS WRIGHT, SHERIFF
Presenter(s): ENNIS WRIGHT, SHERIFF
Estimate of Committee Time Needed: 10 MINUTES

BACKGROUND:

Southern Health Partners was awarded a contract to provide Jail Health Services at the Cumberland County Detention Center effective July 1, 2017 (other than mental health) and have been providing all Health Services with the exception of Mental Health service since that time. For the period of July 1, 2017 to December 31, 2017, the County continued to employ Mental Health professional for the provision of Mental Health services at the Detention Center. Effective January 1, 2018, the provision of Mental Health services was transferred to Southern Health Partners. A contract amendment has been prepared related to these additional services and costs. Further, an addendum to the contract has been proposed for the provision of mental health services by Southern Health Partners

RECOMMENDATION/PROPOSED ACTION:

I recommend the Finance Committee approve the following recommendations and forward this as a Consent Agenda item to the Board of Commissioners for its consideration at their February 19th meeting:

1. Accept the Jail Health Presentation.
2. Review and approve the Southern Health Partners Contract Amendment.

3. Approve Budget Ordinance Amendment #B180119 to utilize fund balance in the amount of \$339,824 for salaries and costs related to transition period of Mental Health services provided by County employees through December 31, 2017.
4. Adopt the addendum to the contract and fund the addendum to the contract to provide for the administration and provision of Mental Health Services by Southern Health Partners.

ADDENDUM AND MODIFICATION #1
HEALTH SERVICES AGREEMENT

This ADDENDUM AND MODIFICATION #1, to Health Services Agreement dated June 30, 2017, between Cumberland County, North Carolina, (hereinafter referred to as "County"), and Southern Health Partners, Inc., a Delaware Corporation, (hereinafter referred to as "SHP"), with services commencing on July 1, 2017, is entered into as of this _____ day of _____, 2017.

WITNESSETH:

WHEREAS, County and SHP desire to modify the Health Services Agreement dated June 30, 2017, between County and SHP; and

WHEREAS, the Health Services Agreement dated June 30, 2017, contemplated the following:

"County acknowledges its election to independently provide and pay for on-site mental health services through County's mental health staff of providers. SHP agrees to work with County's mental health staff providers. The costs of all mental health services provided through County's mental health staff providers are specifically excluded from this Agreement and shall be the financial responsibility of County, or shall not otherwise be the financial responsibility of SHP.

[and]

Additionally, the parties contemplate that SHP, on or before January 1, 2018, will commence the provision of mental health services in a manner and at a price consistent with that set forth in SHP's Response to the Request for Proposals. The parties anticipate that SHP will recruit to provide staffing for the provision of mental health services on or prior to that date, and agree that a specific addendum to this contract will be executed by the parties consistent with such staffing and pricing models as set forth in SHP's Response to Request for Proposal (bid date May 18, 2017) which Response is incorporated and adopted by reference on or before January 1, 2018."

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

Section 1.2 is hereby modified and replaced in its entirety by the following:

1.2 Scope of General Services. The responsibility of SHP for medical care of an inmate commences with the booking and physical placement of said inmate into the Jail. The health care services provided by SHP shall be for all persons committed to the custody of the Jail, except those identified in Section 1.7. SHP shall provide and/or arrange for all professional medical, dental, mental health and related health care and administrative services for the inmates, regularly scheduled sick call, nursing care, regular physician care, medical specialty services,

emergency medical care, emergency ambulance services when medically necessary, medical records management, pharmacy services management, administrative support services, and other services, all as more specifically described herein.

SHP shall be financially responsible for the costs of all physician and nurse staffing, routine on-site dental services (including dental supplies), over-the-counter medications, medical supplies, medical hazardous waste disposal, office supplies, forms, folders, files, travel expenses, publications, administrative services and nursing time to train officers in the Jail on various medical matters. SHP's financial responsibility for the costs of all emergency kits and restocking of emergency kit supplies, all necessary license and permit fees, all prescription pharmaceuticals, all biological products (used to prevent, diagnose or treat diseases and medical conditions), all clinical lab procedures (inside and outside the Jail), all x-ray procedures (inside and outside the Jail), all dental services other than those provided through SHP's contracted dental provider and all medical and mental health services rendered outside the Jail shall be limited by the annual cost pool described in Section 1.5 of this Agreement. All pool costs in excess of the annual cost pool limit shall be the financial responsibility of the County, or shall not otherwise be the financial responsibility of SHP.

Should new legislation require substantial or new medical directives to SHP in the provision of services under this Agreement, SHP will not be financially responsible for changes to its program, rather SHP would have the ability to seek from the County any additional monies to fund such directives.

Section 2.1 is hereby modified and replaced in its entirety by the following:

2.1 Staffing. SHP shall provide medical and support personnel reasonably necessary for the rendering of health care services to inmates at the Jail as described in and required by this Agreement, and as outlined in the proposal staffing model provided herein for reference.

Staff hours worked in excess of this contracted staffing plan, not to include SHP training hours, may be billed back to the County on a monthly basis, upon the consent of County, which consent shall not be unreasonably withheld, at the actual wage and benefit rate, for staffing services performed on-site at the facility, provided, however, that this term of this contract is not intended to, and shall not include, nor shall the County have liability for overtime pay, but, instead, this provision concerning excess hours shall be invoked and such charges incurred only if the staffing levels contemplated under this contract prove to be insufficient, and the parties agree that additional staff hours, whether of then-existing or additional staff are, in fact, needed.

Further, SHP may provide replacement or limited staffing coverage in absences, which may be due to vacation time or SHP-designated holidays. SHP reserves the right to make adjustments to the regular staffing schedule for flexible coverage on SHP-designated holidays. If any such absences exceed five (5) consecutive days, not to include vacation time or SHP-designated holidays, SHP will refund the County the cost of the staffing hours on the next month's base fee billing.

County acknowledges that, any additional hours worked in excess of the contracted staffing plan by a physician/physician extender or dental provider shall also be billed back to County for reimbursement to SHP. Such costs may, at the election of the County, be applied toward the annual cost pool accounting totals.

Further, it is understood the Professional Provider hours may be filled by a Physician, or Mid-Level Practitioner. Either will be duly licensed to practice medicine in the State of North Carolina, and will be available to our nursing staff for resource, consultation and direction twenty-four (24) hours per day, seven (7) days per week.

Staff shifts may be adjusted by SHP in order to maintain stability of the program and consistency with staff. Any adjustments or changes to fixed schedules would be made after discussions with the Sheriff and other involved County officials. Professional Provider visit times and dates will be coordinated with Jail Management, and may include the use of telehealth services. Some of the Professional Provider time may be used for phone consults with medical staff and for other administrative duties.

County and SHP acknowledge that, effective on or about January 1, 2018, SHP will incorporate psychiatrist staffing, for sixteen (16) hours per week, for the provision of mental health services, and further, that, SHP will incorporate additional mental health staffing positions (a psychologist and a QMHP/LCSW), for an increased staffing plan as outlined in the model (table) provided herein for reference. SHP's contract price will increase accordingly, as stated in Section No. 7.1 of this Agreement.

Cumberland, NC - Staffing Model 24-hour coverage									
ADP - 778									
<u>POSITION</u>	<u>S</u>	<u>M</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>S</u>	<u>HRS/W</u> <u>K</u>	<u>FTE</u>
<u>Professional Staff</u>									
Medical Director			5		5			10	0.25
NP/PA		5	5	5	5	5		25	0.62 5
Dentist (Bi-weekly)				4				4	0.1
Dental Hygienist (Bi-weekly)				4				4	0.1
Psychologist		8	8	8	8	8		40	1
Psychiatrist		6		5		5		16	0.4
<u>Administrative Staff</u>									
Director of Nursing (RN)		8	8	8	8	8		40	1
Medical Team Administrator (RN/LPN)		8	8	8	8	8		40	1

Medical Clerk/Administrative Assistant		8	8	8	8	8		40	1
LPN Float	8	8	8	8	8	8	8	56	1.4
QMHP/LCSW		8	8	8	8	8		40	1
<u>Support Staff</u>									
<i>Day shift</i>									
RN - Weekends	1 2						1 2	24	0.6
LPN Booking	1 2	84	2.1						
LPN	1 2	84	2.1						
Med Tech/EMT	1 2	84	2.1						
<i>Evening shift</i>									
RN	1 2	84	2.1						
LPN Booking	1 2	84	2.1						
LPN	1 2	84	2.1						
Med Tech/EMT	1 2	84	2.1						
TOTAL WEEKLY HOURS								927	23.1 8

Section 7.1 is hereby modified and replaced in its entirety by the following:

7.1 Base Compensation. Effective January 1, 2018, the amount of base contract compensation to SHP shall increase to the twelve-month annualized price of \$2,455,476.00, payable by County in monthly installments. Monthly installments based on the twelve-month annualized price of \$2,455,476.00 will be in the amount of \$204,623.00 each. SHP will bill County approximately thirty days prior to the month in which services are to be rendered. County agrees to pay SHP prior to the tenth day of the month in which services are rendered. In the event this Agreement should commence or terminate on a date other than the first or last day of any calendar month, compensation to SHP will be prorated accordingly for the shortened

month.

Section 7.2 is hereby replaced in its entirety by the following:

7.2 Increases in Inmate Population. County and SHP agree that the annual base price is calculated based upon an average daily inmate population of up to 778. If the average daily inmate population exceeds 778 inmates for any given month, the compensation payable to SHP by County shall be increased by a per diem rate of \$1.25 for each inmate over 778. The average daily inmate resident population shall be calculated by adding the population or head count totals taken at a consistent time each day and dividing by the number of counts taken. The excess over an average of 778, if any, will be multiplied by the per diem rate and by the number of days in the month to arrive at the increase in compensation payable to SHP for that month. In all cases where adjustments become necessary, the invoice adjustment will be made on the invoice for a subsequent month's services. For example, if there is an average population for any given month of 783 inmates, resulting in an excess of five (5) inmates, then SHP shall receive additional compensation of five (5) times the per diem rate times the number of days in that month. The resulting amount will be an addition to the regular base fee and will be billed on a subsequent monthly invoice.

This *per diem* is intended to cover additional cost in those instances where minor, short-term changes in the inmate population result in the higher utilization of routine supplies and services. However, the per diem is not intended to provide for any additional fixed costs, such as new fixed staffing positions that might prove necessary if the inmate population grows significantly and if the population increase is sustained. In such cases, SHP reserves the right to negotiate for an increase to its staffing complement and its contract price in order to continue to provide services to the increased number of inmates and maintain the quality of care. This would be done with the full knowledge and agreement of the Sheriff and other involved County officials, and following appropriate notification to County.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

COUNTY OF CUMBERLAND, NC
BY:

Amy Cannon, County Manager

Date:

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

Approved for Legal Sufficiency

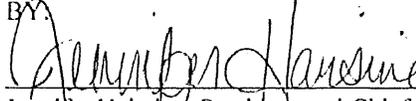
By: _____
County Finance Director

By: _____
Cumberland County Attorney's Office

Date: _____

SOUTHERN HEALTH PARTNERS, INC.

BY:



Jennifer Hairsine, President and Chief Executive Officer

Date:

1-4-18

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



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 FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE
FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER
DATE: FEBRUARY 7, 2018
SUBJECT: CONSIDERATION OF ANNUAL SCHOOL FUNDING FOR THE CUMBERLAND COUNTY SCHOOL SYSTEM

Presenter: Melissa C. Cardinali, Assistant County Manager

Estimate of Committee Time Needed: 15 Minutes

BACKGROUND:

The current funding agreement with the Cumberland County School System(CCSS) expires June 30, 2018. This funding agreement allows both the County and CCSS to more accurately plan and prepare annual budgets. The current agreement provides CCSS revenue derived from \$0.3406 on the County's ad valorem property tax rate.

However, for FY18 the agreement held the school system harmless for revaluation resulting in \$0.3604 on the property tax rate being distributed to CCSS or \$80,362,412. The agreement also provides that actual taxes collected above the budget are split 75% (County) / 25% (CCSS).

CCSS is currently searching for a new Superintendent for the System. There has been general agreement that until a new Superintendent is in place and acclimated to the system and county, it is in the best interest of all parties to freeze funding for the next 2 fiscal years.

Therefore, management is proposing to freeze funding for CCSS at the FY17 level of \$79,463,109. This reflects the cumulative enrollment decrease of approximately 1.10% over the past 5 years.

RECOMMENDATION/PROPOSED ACTION:

Management recommends approving the annual funding for the Cumberland County School System at the fixed amount of \$79,463,109 for fiscal years 2018-19 and 2019-20.

The information below was presented at the November 2, 2017 Finance Committee meeting to provide assistance when arriving at a funding decision.

Cumberland County Schools K-12 Enrollment (as used for resource allotment)

Fiscal Year	CCSS	Charter Schools	Total	% Change (Cumulative)
2012-13	51,890	263	52,153	
2013-14	51,855	410	52,265	0.21%
2014-15	50,939	628	51,567	(1.12%)
2015-16	50,662	887	51,549	(1.16%)
2016-17	50,558	1,019	51,577	(1.10%)

Cumberland County Schools Impact Aid – (used to pay teacher supplements)

Fiscal Year	Funds Received	% Change (Cumulative)
2012-13	\$5,834,185	
2013-14	\$4,480,986	(23.19%)
2014-15	\$4,907,172	(15.89%)
2015-16	\$4,332,425	(25.74%)
2016-17	\$4,033,227	(30.87%)

Annual Funding from Cumberland County to CCSS

Fiscal Year	County Funding	Cumulative Increase	% Change (Cumulative)
2012-13	\$76,220,676		
2013-14	\$76,220,676	\$0	
2014-15	\$76,982,883	\$762,207	1.00%
2015-16	\$78,345,062	\$2,124,386	2.79%
2016-17	\$79,463,109	\$3,242,433	4.25%

Cumberland County Schools Unassigned Fund Balance

Fiscal Year	Unassigned Fund Balance
2012-13	\$28,150,619
2013-14	\$22,640,043
2014-15	\$23,371,510
2015-16	\$28,441,184
2016-17	\$28,323,657

LARRY L. LANCASTER
Chairman

JEANNETTE M. COUNCIL
Vice-Chairman

GLENN B. ADAMS
MICHAEL C. BOOSE
CHARLES E. EVANS
W. MARSHALL FAIRCLOTH
JIMMY KEEFE



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

BOARD OF COMMISSIONERS

ITEM NO. 5
CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

**MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: Commissioner Jimmy Keefe, Committee Chair
DATE: February 5, 2018
SUBJECT: Financial Update on Cost to Run Public Water to the Area Designated as Contaminated Around the Chemours Plant

Requested by: Commissioner Jimmy Keefe
Presenter(s):
Estimate of Committee Time Needed: 10 Minutes

BACKGROUND:

We were briefed at the retreat on the cost to do an analysis of the area of \$187K. For budgeting purposes and in the interest of public health, have we determined a budget amount for planning purposes in next year's budget? In addition, is there plan of action and updated costs on expenditures absorbed by Cumberland County in response to this situation?

RECOMMENDATION/PROPOSED ACTION:

A proactive plan for working with local, state, Chemours and the citizens affected by the contamination.

GENX PLAN

A proactive plan for working with local, state, Chemours and the citizens affected by the contamination.

Local

- PWC partnership – assess the area and determine cost of running water lines. The utility is willing to pay half the cost of hiring an engineering firm to review the earlier feasibility study and determine the engineering requirements and cost of extending water lines into the Gray's Creek Water and Sewer District.
- Complete a preliminary engineering study and environmental assessment
- Communicate with Bladen and other counties in the river basin to compare and share information about activities to assist and inform citizens and collectively work with state and federal authorities to hold Chemours accountable and ensure safe water and air quality

State

- County Management and Health Department continue to participate in weekly conference calls with NCDHHS (DEQ and DPH) and stay updated on:
 - o Ground and surface water testing
 - o Discharge and other regulatory issues
 - o Air quality
 - o Health impact
- Health Department officials attend Science Advisory Board meetings (NC Division of Public Health) to stay updated on the health effects findings
- State Legislature (County delegation, House and Senate select committees on water quality)
 - o request funding for extending water lines
 - o maintain awareness of the impact on our citizens
 - o stress importance of holding Chemours accountable
- Seek grant and loan funding for projects

Federal

- Seek federal support for water infrastructure
- Involve federal delegation in seeking EPA assistance on testing and setting regulatory standards

Chemours

- Set up meetings between the company and the commissioners and management to learn about the company's action plan and share citizen concerns

Citizens

- Provide information and facilitate communication with state officials
- Serve as a link to state resources

GENX PLAN

- Communicate appeals process currently in place to address possible tax relief for contaminated properties
- Use various platforms to provide information to citizens, including County's GenX webpage, social media and press releases

**CUMBERLAND**
★ **COUNTY** ★
NORTH CAROLINA**ENGINEERING & INFRASTRUCTURE DEPARTMENT**

Engineering Division · Facilities Management Division · Landscaping & Grounds Division · Public Utilities Division

**MEMO FOR THE AGENDA OF THE
FEBRUARY 15, 2018 MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS

FROM: JEFFERY P. BROWN, PE, E & I DIRECTOR

THROUGH: MELISSA CARDINALI, ASSISTANT COUNTY MANAGER

DATE: FEBRUARY 7, 2018

SUBJECT: CONSIDERATION OF PROFESSIONAL SERVICES
AGREEMENT WITH MOORMAN, KIZER & REITZEL,
INC. FOR GRAY'S CREEK WATER & SEWER DISTRICT
AND INTERLOCAL AGREEMENT WITH PWC

Requested by: AMY H. CANNON, COUNTY MANAGER

Presenter(s): JEFFERY P. BROWN, PE, E & I DIRECTOR

Estimate of Committee Time Needed: 15 MINUTES

BACKGROUND:

At the Board of Commissioner's Planning Retreat on January 26, 2018, a brief presentation was given on the Gray's Creek Water & Sewer District regarding the creation of the district and what steps had previously been taken by Cumberland County to extend public water into the district. In August of 2009, the Board of Commissioners approved a contract with Marziano & McGougan, P.A. to complete a Preliminary Engineering Report (PER) and Environmental Assessment (EA). The documents that were completed in 2010 are extremely outdated. The previous documents completed were for a rural system and did not include fire flow protection to the residents of the district. Population density and water demands have also changed drastically within the district since 2010. For these reasons, the PER must be updated. An updated PER will provide current, realistic construction costs that are necessary to develop a funding model to pay for the installation of any proposed water system.

It is important to note that the Marziano & McGougan, PA firm is no longer in business. In December of 2017, PWC and E&I Staff evaluated the County's list of qualified firms and determined that Moorman, Kizer & Reitzel, Inc. (MKR) had the most local knowledge and experience working with PWC and the County on public utility infrastructure. Utilizing a consultant from the County's list of qualified firms will also save time as issuing a request for qualifications (RFQ) would take a minimum of 90 days

to select a firm. On January 10, 2018, E&I Staff received a proposal from MKR to update the PER and complete an Environmental Assessment (EA). The proposal has been attached for your review. PWC has agreed to equally share the cost of updating the PER and completing the EA as outlined in the attached Interlocal Agreement.

E&I Staff has had several discussions with PWC Staff and MKR after receiving and reviewing the proposal. We believe the first step is to update the PER. Once this is finalized, then the EA can be updated in phases as specific projects are defined and outlined. This will eliminate the duplication of efforts and eliminate the possibility of the EA from becoming outdated before all phases of construction can be completed for the entire district.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Finance Committee approve the following recommendations and forward them to the Board of Commissioners for its consideration at their February 19th meeting

1. Approve the Professional Services Agreement with Moorman, Kizer & Reitzel, Inc. in the amount of \$129,330.
2. Approve the Interlocal Agreement with the Public Works Commission contingent on the approval of the agreement by the County Attorney.
3. Approve Budget Ordinance Amendment #B180656 in the amount of \$129,330 for the completion of a Preliminary Engineering Report for the Grays Creek Water & Sewer District.

This instrument has been preaudited in the manner required by the Local Government and Fiscal Control Act.

Rhonda Haskins, Interim Chief Financial Officer of Fayetteville Public Works Commission

This instrument has been preaudited in the manner required by the Local Government and Fiscal Control Act.

Vicki Evans, County Finance Director

North Carolina
Cumberland County

THIS INTERLOCAL GOVERNMENT AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2018, by and between Fayetteville Public Works Commission ("PWC"), a public authority, and Cumberland County ("County"), a body politic organized and existing under the laws of the State of North Carolina (each of PWC and County is a "Party" and both are collectively the "Parties") in accordance with Article 20 of Chapter 160A of the North Carolina General Statutes in order to engage in inter-local cooperation.

The Parties agree as follows:

1. PWC and County are interested in extending PWC water service in the Gray's Creek area of Cumberland County. This extension requires a review of an existing feasibility study ("Project") to determine the engineering requirements and cost of such an extension.
2. The County will select an engineering firm from a list of qualified firms that were previously selected from a Request for Qualifications (RFQ) process for the Project and the Parties will jointly develop the scope and manage the completion of Project.
3. The County shall pay the Expert for its services in accordance with the engagement agreement. PWC shall promptly reimburse the County for fifty percent (50%) of the amount paid by the County to the Expert; provided, however, notwithstanding any provision herein to the contrary, PWC's reimbursement obligation shall not exceed ninety-three thousand four hundred fifty and 00/100 dollars (\$93,450.00). The County shall not amend the Expert engagement agreement or consent to an amendment thereto without the prior written consent of PWC
4. This Agreement may be terminated by either Party by giving ten (10) days written notice of termination to the other Party. Notice may be given to the other Party by either hand delivery or US Mail, postage prepaid. If the agreement is terminated by either Party, the amount to be reimbursed by PWC to the County shall be fifty percent (50%) of the amount paid by the County to the Expert for services rendered through the date of the termination of this Agreement, subject to the limitation set forth in Section 3 of this Agreement.
5. Neither this Agreement nor the Expert engagement agreement is intended to compel PWC to extend water service in the Gray's Creek area, which extension may be undertaken in PWC's sole discretion.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

CUMBERLAND COUNTY

By: _____
Amy Cannon, County Manager

ATTEST: _____
_____, (Secretary or Clerk)

FAYETTEVILLE PUBLIC WORKS COMMISSION

By: _____
David W Trego, General Manager/CEO

ATTEST: _____
Venus Williams, Clerk

**STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND**

SERVICE AGREEMENT

This Agreement, made this the ____ day of _____, 2018, by and between the County of Cumberland, a body politic and corporate of the State of North Carolina, hereinafter referred to as COUNTY, and Moorman, Kizer & Rietzel Inc., a consulting engineer with an office located at 115 Broadfoot Avenue, Fayetteville, NC, hereinafter referred to as ENGINEER.

WITNESSETH

WHEREAS, the COUNTY requires professional engineering services in connection with the Gray's Creek Water and Sewer District Preliminary Engineering Report; and

WHEREAS, the COUNTY has through a qualifications based process selected the ENGINEER to provide necessary surveying and engineering services; and

WHEREAS, the ENGINEER has represented that it can provide qualified services which will meet the needs of the COUNTY; and

WHEREAS, the services are of a technical nature and are temporary in character; and

WHEREAS, funds are available in the project budget for the performance of said services.

NOW THEREFORE, the parties agree to the following terms and conditions:

PURPOSE: The COUNTY agrees to purchase and the ENGINEER agrees to provide the necessary engineering services for this project as set forth below.

TERM: The term of this Agreement shall be from February ____, 2018 through, October 31, 2018, unless sooner terminated or extended by mutual agreement. The COUNTY may terminate this Agreement prior to the expiration of the above stated period if in the judgment of the COUNTY;

The ENGINEER has completed all services required.

The ENGINEER failed or neglected to furnish or perform the necessary services to the reasonable satisfaction of the COUNTY.

The COUNTY shall have given the ENGINEER seven (7) days written notice of the COUNTY's intent to terminate this Agreement. The COUNTY will make all payments due the ENGINEER for services rendered and/or expenses actually incurred up to and including the date of such notice of termination.

SERVICES: ENGINEER shall perform such expert and technical services as are indicated in the proposal from Moorman, Kizer & Reitzel, Inc., dated January 9, 2018, attached and incorporated herein. ENGINEER warrants that it shall perform such ancillary work as may be necessary to insure the effective performance of the services cited above. Insofar as practical, the ENGINEER shall cooperate with the operation schedule of the COUNTY, and with other personnel employed, retained, or hired by the COUNTY.

PRICE: Compensation for services rendered shall be time and materials at the hourly rate outlined in the proposal. The total contract price shall not exceed \$186,900.00 without the authorization from the County Manager.

PAYMENT: The COUNTY shall pay the ENGINEER within 15 working days of receipt of invoice.

BENEFIT: This Agreement shall be binding upon and it shall inure to the benefit of the parties, their legal representatives, successors, and assigns, provided that the provisions with respect to assignment and delegation are fully complied with.

ASSIGNMENT: The ENGINEER shall not assign all or any part its contract rights under this Agreement, nor delegate any performance hereunder, nor subcontract, without first obtaining the COUNTY's written approval.

COMPLIANCE WITH LAW: The ENGINEER agrees it shall comply with all laws, rules, regulations, and ordinances, proclamations, demands, directives, executive orders, or other requirements of any government or subdivisions thereof which now govern or may hereafter govern this Agreement, including, but limited to, the provisions of the Fair Labor Standards Act of 1938, equal employment laws, and any other applicable law.

AGENCY AND AUTHORITY: The COUNTY hereby designates the Engineering & Infrastructure (E&I) Director as its exclusive agent with respect to this Agreement. The E&I Director is authorized, on behalf of the COUNTY, to negotiate directly with the ENGINEER on all matters pertaining to this Agreement. The ENGINEER agrees that all of its dealings with the COUNTY in respect to the terms and conditions of this Agreement shall be exclusively with the E&I Director. Further, the ENGINEER specifically agrees that it shall not modify any of the specifications of any of the services subject to this Agreement except pursuant to the paragraph entitled MODIFICATIONS.

REMEDIES: If either party shall default with respect to any performance hereunder, it shall be liable for reasonable damages as provided by law and for all costs and expenses incurred by the other party on account of such default. Waiver by either party of any breach of the other's obligation shall not be deemed a waiver of any other or subsequent breach of the same obligation. No right or remedy of any party is exclusive of any other right or remedy provided or permitted by law or equity, but each shall be cumulative of every other right or remedy now or hereafter existing at law or in equity, or by statute, and may be enforced concurrently or from time to time.

APPLICABLE LAW: This Agreement shall be governed by the laws of the State of North Carolina. The parties mutually agree that the courts of the State of North Carolina shall have exclusive jurisdiction of any claim arising under the terms of this Agreement with appropriate venue being Cumberland County.

NOTICES: Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgment of receipt, or mailed by certified mail return receipt requested to the other party at the following addresses or to such other addresses as either party from time to time may designate in writing to the other party for receipt of notice:

ENGINEER:
Moorman, Kizer & Reitzel, Inc.
115 Broadfoot Avenue
Fayetteville, NC 28305

COUNTY:
Jeffery P. Brown, Engineering & Infrastructure Director
130 Gillespie Street
Fayetteville, NC 28301

Such notice, if mailed, shall be deemed to have been received by the other party on the date contained in the receipt.

SEVERABILITY: If any term, duty, obligation or provision of this Agreement should be found invalid or unenforceable, such finding shall not affect the validity of any other terms, duties, obligations, and provisions, which shall remain valid, enforceable and in full force and effect.

MODIFICATION: This Agreement may be modified only by an instrument duly executed by the parties or their respective successors.

MERGER CLAUSE: The parties intend this instrument as a final expression of their Agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Agreement. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior Agreement shall not be relevant or admissible to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity to make objection. No representations, understandings, or agreements have been made or relied upon making this Agreement other than those specifically set forth herein.

DISPUTE RESOLUTION: The parties must resolve any claim, dispute or other matter in contention arising out of, or relating to, this Agreement through the following procedure. The parties shall first negotiate in good faith to reach an equitable settlement to the dispute. If a negotiated settlement cannot be reached within 10 business days, the parties shall submit to mediation. The parties shall select a mediator, approved by either the North Carolina or federal courts and mutually agreeable to all parties in the dispute to conduct the proceedings which shall be held at the Owner's place of business. If the parties cannot select a mediator within 10 business days, then the Owner shall select a mediator (or, if the Owner is a party to the dispute, the Cumberland County Trial Court Administrator). The mediator's cost shall be equally shared by all parties to the dispute. If a mediated settlement cannot be reached, the final recourse to the aggrieved party is legal action instituted and tried in the General Court of Justice of North Carolina under North Carolina Law with venue for trial being Cumberland County. No party shall have a right to resort to litigation until mediation shall first have occurred and not been successful.

INDEPENDENT CONTRACTOR: ENGINEER is an independent CONTRACTOR and not an agent, officer or employee of the COUNTY and shall have no authority to act as an agent of the COUNTY, nor enter any Agreement for or in behalf of the COUNTY. The relationship of ENGINEER with the COUNTY is as an "independent contractor" as that term is defined by the law of the State of North Carolina.

NON-APPROPRIATION CLAUSE: This agreement is subject to and contingent upon appropriation of funds for fiscal years subsequent to FY18.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the ____ day of February, 2018 by their respective duly authorized representatives.

ATTEST

COUNTY

BY: _____
Clerk to the Board of Commissioners

BY: _____
Larry L. Lancaster, Chairman

ATTEST

MOORMAN, KIZER & REITZEL, INC.

BY: _____

BY: _____

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

Approved for Legal Sufficiency
COUNTY ATTORNEY'S OFFICE

Vicki Evans
County Finance Office

 Renewable Nonrenewable
Expiration Date:

January 9, 2018

Mr. Jeffery P. Brown, PE
Cumberland County
Engineering & Infrastructure Department
Engineering & Infrastructure Director
130 Gillespie Street, Room 214
Fayetteville, N.C. 28302

Re: Gray's Creek Water & Sewer District

Dear Jeffery,

Thank you for allowing Moorman, Kizer & Reitzel, Inc. the opportunity to submit a proposal for the preparation of a Preliminary Engineering Report to extend water mains throughout the Gray's Creek Water & Sewer District. The Gray's Creek Water & Sewer District is identified as the tan portion of the attached map labeled "Cumberland County Rural Water Feasibility Map #5 – Proposed Southwest Water District". Based on our meeting on December 5, 2017 with you, Allen Riddle and Joe Glass, and a subsequent meeting on December 13, 2017 with you, Allen Riddle and Amy Hall, I understand the following:

- 1) Because of evidence that Gen X is present in private ground water supply wells in the Gray's Creek area, the County and Fayetteville Public Works Commission is interested in studying extending water mains throughout the District.
- 2) The County wishes to pursue low interest loans from the USDA, Clean Water Management Trust Fund, NC Rural Center and others to finance the construction. Based on the previous PER, the District's Median Household Income exceeds the Median Household Income allowed to qualify for grants thru the USDA.
- 3) The Gray's Creek Water & Sewer District would prefer to purchase water from the Fayetteville Public Works Commission at bulk water rates to supply the Gray's Creek Water & Sewer District with potable water.
- 4) The Gray's Creek Water & Sewer District thru the County of Cumberland Public Works Department will own the water system and the County will propose to contract with Fayetteville Public Works Commission to maintain and operate the water system, details of which have yet to be worked out.
- 5) The water system is planned to provide fire flow protection to the Gray's Creek Water & Sewer District.
- 6) The water system is to be designed and constructed to Fayetteville Public Works Commission Standards.

- 7) The County wishes to provide water to the Southpoint Subdivision Water System currently being fed from Bladen County.
- 8) Other priority areas include Gray's Creek Middle School, Alderman Road Elementary School, Point East Subdivision and Marshwood Lake Subdivision.

I anticipate the Scope of Work to be as follows:

- 1) Prepare and update a portion of the Preliminary Engineering Report for Cumberland County – Rural Water Feasibility Study prepared by Marziano & McGougan, PA dated August 19, 2009 with regards to the hydraulic model of the Map #5 Proposed Southwest Water District (Gray's Creek Water & Sewer District) only. Bentley Water CAD water distribution software will be used to perform the hydraulic modeling analysis.
- 2) Prepare and update the Preliminary Engineering Report Gray's Creek Water & Sewer District – Phase I – Round 2 Comments prepared by Mariano & McGougan dated September 6, 2011 to be utilized for funding application.
- 3) Prepare a NEPA Environmental Assessment. As outlined in Soil & Environmental Consultants, PA contained herein.
- 4) Assist Cumberland County in submitting for low interest loans from USDA, Clean Water Management Trust Fund and others.
- 5) Coordinate with County Staff and Fayetteville Public Works Commission in the development of the Preliminary Engineering Report as well as representatives from the USDA-RD.

I would anticipate the County to provide the following information:

- 1) All drawings, reports, files, studies and other information necessary for the project planning, conceptual layout and the preparation of the PER to include FPWC water demand records, FPWC system maps, etc.
- 2) All FPWC water system testing to ascertain the water system working pressures, availability and current operating conditions.
- 3) Water customer survey tabulated results in a shape file or map format.

I have estimated the number of man hours per discipline as follows:

Moorman, Kizer & Reitzel, Inc.

	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Principal	225	\$170.00	\$38,500.00
Professional Engineer	300	\$145.00	\$43,500.00
Senior Designer	160	\$87.50	\$14,000.00
Admin. Assistant	180	\$48.50	\$8,730.00
Modeling	160	\$60.00	\$9,600.00
Reimbursables & Printing	LS	\$15,000.00	\$15,000.00

Subtotal \$129,330.00 \$129,330.00

Soil & Environmental Consultants (See Attached Proposal) \$53,570.00

Anticipated Not to Exceed Fee \$186,900.00

I anticipate the estimated Not to Exceed Fee to be approximately \$186,900.00 to be billed based on the various disciplines and applicable hour rate schedule. The actual man hours per discipline may vary based on the actual time each specific task requires. Consultants will be billed at cost.

I would anticipate Moorman, Kizer & Reitzel, Inc. to begin work within 2 weeks after the Notice to Proceed and the initial submittal of the Preliminary Engineering Report to be within approximately 6 to 9 months. Low interest loans approval could require approximately 12 to 18 or longer months for approval. If you have any questions, or need additional information, please don't hesitate to call me.

Again, thank you for your consideration and we look forward to working with you on this very important project.

Respectfully Submitted
Moorman, Kizer & Reitzel, Inc.



Jeffrey B. Reitzel, PE, PLS, LEED AP

Attachments:

- Cumberland Co. Rural Water Feasibility
- Map #5 – Proposed Southwest Water District
- Soil & Environmental Consultants, PA - Proposal

LARRY L. LANCASTER
Chairman

JEANNETTE M. COUNCIL
Vice-Chairman

GLENN B. ADAMS
MICHAEL C. BOOSE
CHARLES E. EVANS
W. MARSHALL FAIRCLOTH
JIMMY KEEFE



CUMBERLAND
COUNTY
NORTH CAROLINA

BOARD OF COMMISSIONERS

ITEM NO. 6.

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE

TO: FINANCE COMMITTEE MEMBERS
FROM: Commissioner Jimmy Keefe, Committee Chair
DATE: February 5, 2018
SUBJECT: Financial Update of Decreasing of Property Values Associated with the Atlantic Coast Pipeline and Properties Affected by the Chemours Contamination

Requested by: Commissioner Jimmy Keefe
Presenter(s):
Estimate of Committee Time Needed: 10 Minutes

BACKGROUND:

We have heard that having the ACP contiguous or running through properties will significantly reduce the value of these properties. There is also credible evidence that owning a property that shows contamination of GEN-X will also decrease the value of a property. Has our tax department made any assessment of these decreases and the affect that it will have on property tax revenue? Furthermore, what consideration or appeal process does a homeowner have to submit documentation that their property values have been reduced?

RECOMMENDATION/PROPOSED ACTION:

Our tax office set up a appeals process for homeowners affected by either of these situations and understand that the values of property when assessed last year did not take into consideration either of these matters.

JOSEPH R. UTLEY, JR.
Tax Administrator



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 6.A.

AMY B. KINLAW
Chief of Assessment and Collections

TAMI K. BOTELLO
Chief of Real Estate and Mapping

OFFICE OF THE TAX ADMINISTRATOR

**MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS

FROM: JOSEPH R. UTLEY, JR, TAX ADMINISTRATOR

THROUGH: MELISSA CARDINALI, ASSISTANT COUNTY MANAGER

DATE: FEBRUARY 15, 2018

**SUBJECT: UPDATE ON PROPERTIES AFFECTED BY THE ATLANTIC
COAST PIPELINE**

Requested by: Commissioner Keefe
Presenter: Joseph R. Utley, Jr
Estimate of Committee Time Needed: 10 minutes

BACKGROUND:

A concern about how property values might be impacted by easements for the Atlantic Coast Pipeline has been expressed.

The Tax Office utilizes a document, the Schedule of Values to provide a consistent basis or guide for all facets of property valuation. The value adjustment is driven by the easement itself, not the intended use of the easement. This is the case for all types of easements such as other utility easements, water and sewer, etc. The methodology for easement value adjustments is a standard practice.

The following is the process the Tax Office uses in reviewing value adjustments for easements:

- A survey map of the permanent right of way is submitted to the tax office. This map is attached to the deed where the Atlantic Coast Pipeline bought the easement rights from the owner.
- The tax office appraiser will reduce the value of the land for the permanent easement portion only
- Tax value *may* further be impacted by the location of the easement on the land – if the easement runs through the middle of the property versus the edge of the property

The easement size, and to some degree location, is what is considered in assessing the value, not the use of the easement. There is not an adjustment based on the usage of the easement.

RECOMMENDATION/PROPOSED ACTION:

This presentation was provided for information purposes only. No action is required.

JOSEPH R. UTLEY, JR.
Tax Administrator



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 6.B.
AMY B. KINLAW
Chief of Assessment and Collections

TAMI K. BOTELLO
Chief of Real Estate and Mapping

OFFICE OF THE TAX ADMINISTRATOR

MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE

TO: FINANCE COMMITTEE MEMBERS
FROM: JOSEPH R. UTLEY, JR, TAX ADMINISTRATOR
THROUGH: MELISSA CARDINALI, ASSISTANT COUNTY MANAGER
DATE: FEBRUARY 8, 2018
SUBJECT: UPDATE ON PROPERTIES AFFECTED BY THE CHEMOURS
(GEN X) CONTAMINATION

Requested by: Commissioner Keefe
Presenter: Joseph R. Utley, Jr
Estimate of Committee Time Needed: 10 minutes

BACKGROUND:

In June 2017, Chemours disclosed that it had been discharging Gen X into the Cape Fear River for decades from its Fayetteville Plant, located in Bladen County. Testing has been conducted since this past fall and varying levels of contamination have been found in private wells within Cumberland County and the surrounding areas. The testing continues to expand and the number of properties that may be affected continues to change.

The Tax office has received 2 appeals so far concerning the potential effect on value due to the Gen X contamination. One appeal consists of 30 vacant lots and the other appeal is an improved property in the Point East neighborhood. We have had 8 other taxpayers indicate they will potentially appeal. Additionally, we have fielded a limited number of phone calls. Some of the appeals and/or potential appeals are based on positive test results from the state, while others are based on the contamination in general.

We contacted Bladen, Robeson and New Hanover counties to find out if they have had appeals or if they were going to make property value adjustments due to this Gen X issue. As of last week, none the counties indicated they were going to make valuation adjustments.

There is an appeals process in place for all taxpayers to request an adjustment to their property value. This process is open to any taxpayer who believes the contamination from Gen X has affected their property value. As with all appeals, we ask the appellant to provide appropriate documentation supporting their reason for adjustment. Our office will accept documentation provided by the taxpayer and would give priority consideration to test results from the state or any other licensed environmental expert that deems the property to be contaminated.

Appeals to the Board of Equalization and Review are currently being accepted and will continue to be accepted until the board adjourns on June 29th. Appeals after the adjournment date cannot be accepted for the current tax year; however, they can be accepted for the upcoming year.

My staff and I will be working with Sally Shutt, Assistant County Manager to develop a communications plan to ensure the residents of the affected areas are aware of the appeals process and the timeframes involved.

RECOMMENDATION/PROPOSED ACTION:

This presentation was provided for information purposes only. No action is required.

LARRY L. LANCASTER
Chairman

JEANNETTE M. COUNCIL
Vice-Chairman

GLENN B. ADAMS
MICHAEL C. BOOSE
CHARLES E. EVANS
W. MARSHALL FAIRCLOTH
JIMMY KEEFE



CUMBERLAND
COUNTY
NORTH CAROLINA

BOARD OF COMMISSIONERS

ITEM NO. 7.

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

**MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: Commissioner Jimmy Keefe, Committee Chair
DATE: February 5, 2018
SUBJECT: Update of Health Benefits of Cumberland County Employees and Possible Alternatives to Our Current Program

Requested by: Commissioner Jimmy Keefe
Presenter(s):
Estimate of Committee Time Needed: 10 Minutes

BACKGROUND:

Last year before budget season, a number of commissioners requested that the staff research alternate health benefit programs that will continue to give Cumberland County employees a high level of health care with more stable premiums, greater flexibility and additional options for savings and convenience. At that time, it was determined that we were too close to the budget and the renewal period. In an effort to collect information, a RFP was drafted and there were responses from other agencies interested in providing health benefits services.

RECOMMENDATION/PROPOSED ACTION:

Update on current status of Employee Health benefits, status of the RFP results and recommendations by management on a new program or merging with other groups for cost savings.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 7.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 FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER

DATE: FEBRUARY 7, 2018

SUBJECT: UPDATE ON CUMBERLAND COUNTY HEALTH BENEFITS AND
BROKER/CONSULTANT ARRANGEMENT

Presenter: Melissa C. Cardinali, Assistant County Manager

Estimate of Committee Time Needed: 15 Minutes

BACKGROUND:

At the August 3, 2017 Finance Committee, a request to move forward to solicit Request for Proposals (RFP) for Employee Benefits/Insurance Broker & Consultant was approved. The RFP responses were not received until mid-September at which time staff began an initial review. As you may recall, it was at this time that questions arose about the structure of one of the health insurance options offered to employees and all RFPs were rejected. At the end of November 2017, the Board was advised to “unwind” that option and the Board engaged Chernoff Diamond (Cherry Bekaert) to serve as the broker / consultant until a complete resolution could be obtained.

In the four weeks following November 20, Chernoff Diamond was entirely focused on the “unwind” process as this had to be accomplished before December 31, 2017. Then the group was able to focus on the details of broker transition. All relationships previously brokered by Mark III on behalf of Cumberland County had to be transitioned to Chernoff Diamond. The brokered agreements include not only BCBS but all other voluntary plans offered to employees (dental, short-term disability, etc.).

As is evident, Chernoff Diamond has had shy of 2 months to delve into and learn the structure put in place by Mark III, begin to understand our claims and history, and begin

formulating a path forward. Chernoff Diamonds' typical approach is more from a strategic planning process which typically includes financial considerations and Board objectives as opposed to a single focus on claims.

There remain aspects of the health benefits program in review. Realizing that decisions need to be made regarding program design for FY19 and future years, Chernoff Diamond representatives will be at the March 1, 2018 Finance Committee meeting. At that meeting they plan to discuss –

- Compliance audit of program structure and incentives
- Strategic plan for health benefits – what are the Board's primary objectives?
- Challenges that have arisen during the transition
- Ways to modernize the process (benefits administration)

RECOMMENDATION/PROPOSED ACTION:

No action needed. Consensus on primary objectives can be provided in order to incorporate into the March 1 presentation.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 7.B.

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 FEBRUARY 15, 2018
SPECIAL MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE
FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER
DATE: FEBRUARY 2, 2018
SUBJECT: MONTHLY HEALTH INSURANCE REPORT
Presenter: Melissa C. Cardinali, Assistant County Manager

Estimate of Committee Time Needed: 5 Minutes

BACKGROUND:

Claims for the December 2017 are up 20.2% from December 2016 (month to month). To provide some perspective on the claims, below is the 6-month average for the past 5 fiscal years. This average represents the average claims for July – December of each fiscal year.

Average claims per fiscal year for July – December:

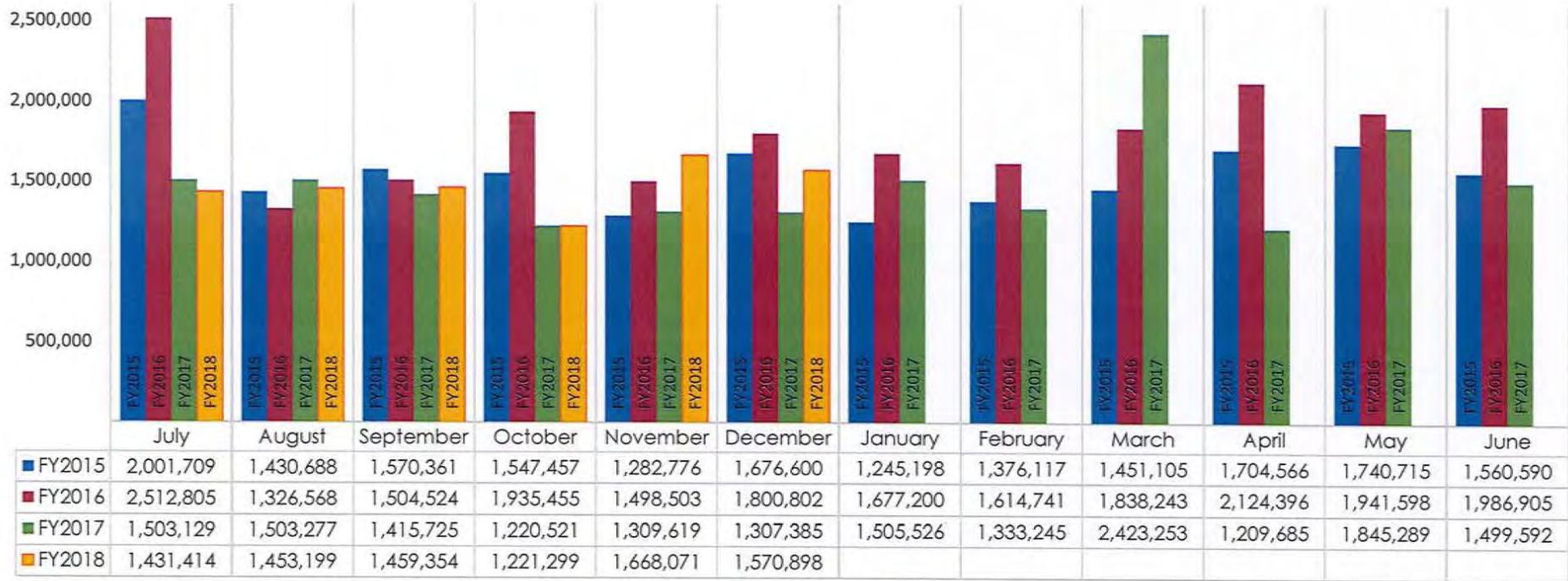
FY13 \$1,214,727
FY14 \$1,243,501
FY15 \$1,584,932
FY16 \$1,763,110
FY17 \$1,376,609
FY18 \$1,467,373

The attached graphs are provided as an aid to the analysis.

RECOMMENDATION/PROPOSED ACTION:

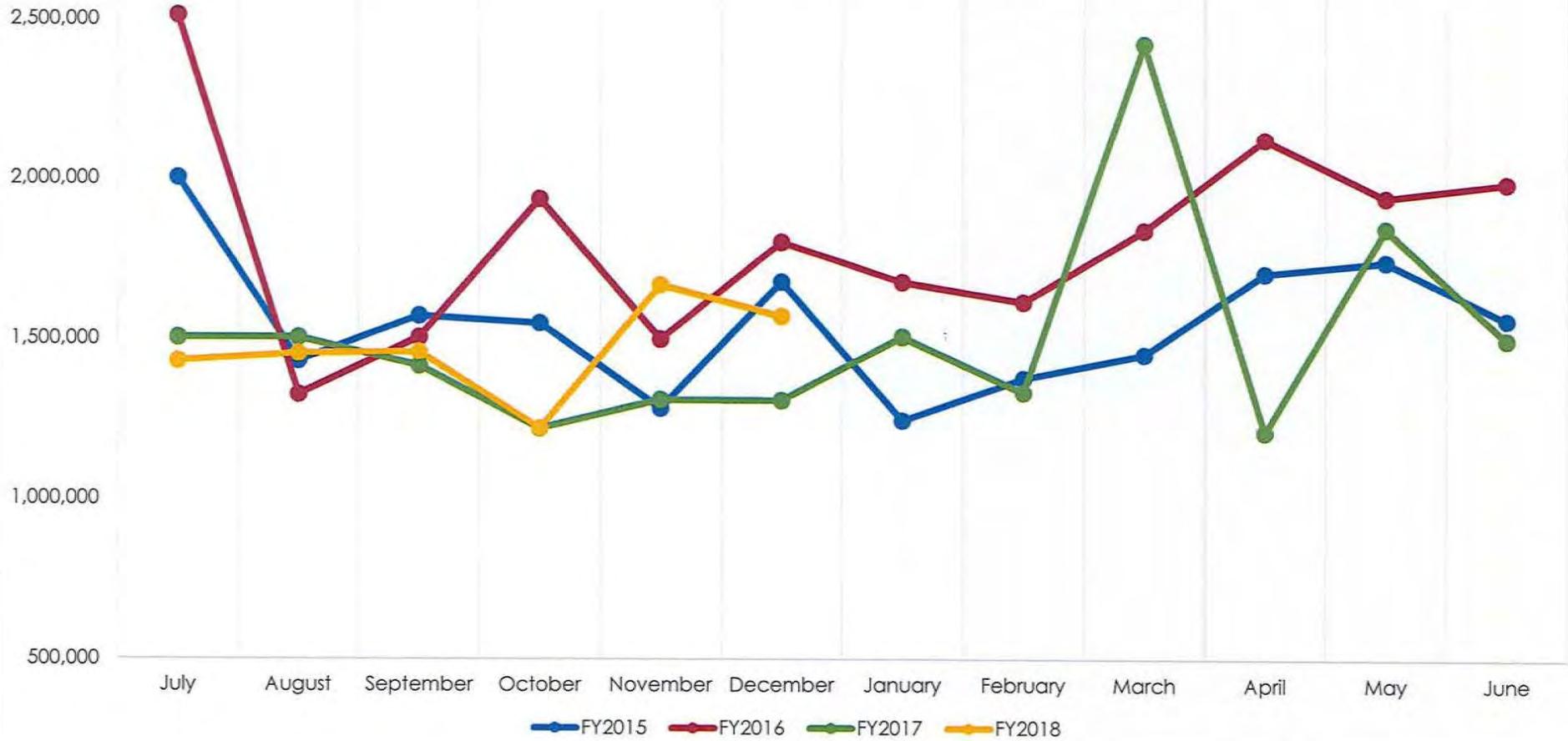
No action needed – for information only.

Monthly Insurance Claims FY15-FY18



■ FY2015 ■ FY2016 ■ FY2017 ■ FY2018

Monthly Insurance Claims FY15 - FY18



AMY H. CANNON
County Manager

JAMES E. LAWSON
Deputy County Manager



CUMBERLAND
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NORTH CAROLINA

ITEM NO. 8.

MELISSA C. CARDINALI
Assistant County Manager

W. TRACY JACKSON
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE
February 15, 2018 MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE MEMBERS
FROM: TAMMY GILLIS, INTERNAL AUDIT DIRECTOR *Tammy*
DATE: FEBRUARY 7, 2018
SUBJECT: CONSIDERATION OF INTERNAL AUDIT PLAN

Presenter(s): Tammy Gillis, Internal Audit Director

Estimated of Committee Time Needed: 10 Minutes

BACKGROUND

At the June 15, 2015 Board of Commissioner's meeting, an Audit/Finance Committee Charter was adopted. The Charter requires that an audit plan be submitted to the Audit Committee for approval. The Audit/Finance Committee approved a July – December 2017 audit plan at the June 8, 2017 Finance Committee meeting.

A summary of audits/projects completed during the July – December time period and a plan for the January - June 2018 time period are being submitted at this time. In June a plan for the first half of fiscal year 2019 will be submitted.

RECOMMENDATION

Staff recommends accepting the summary of completed July – December 2017 audits/projects report and approving the January – June 2018 Internal Audit Plan.

Cumberland County Internal Audit
 Audit Tasks Completed
 July – December 2017

Audit/Project	Department
Physical inventories	Central Maintenance Facility (CMF) Solid Waste garage Employee Pharmacy Health Department Pharmacy Health Department supply room
Inventory account reconciliations	CMF Solid Waste Employee Pharmacy
Special Review (Audit of Women’s Clinics)	Health Dept (BCCCP, Family Planning & Maternity)
Cash Counts	Sample of depts with petty cash or change funds
Expenditure of County funds	Sample of community agencies & Volunteer Fire Department (5 community agencies and 1 VFD)
Sales Tax Distribution Expenses	Board of Education
Schedule of Federal & State Expenditures	FY 2016-17 audit
Single Audit with Cherry Bekaert, CPA firm	FY 2016 – 17 audit (Aug 2017 – Nov 2017)
Purchase Card Review	Finance (various County Depts)

Cumberland County Internal Audit
Audit Plan
January – June 2018

Audit/Project	Department
Physical inventories	Central Maintenance Facility (CMF) Solid Waste garage Employee Pharmacy Health Department supply room
Cash Counts	Sample of departments with petty cash or change funds
Expenditure of County funds	Sample of community agencies
Follow Up Audit of Women's Clinics	Health Department
Audit of internal controls	Solid Waste
Accts Receivable/Expenditure review	Animal Control
Sales Tax Distribution Expenses	Board of Education

RICKEY L. MOOREFIELD
County Attorney



PHYLLIS P. JONES
Assistant County Attorney

ROBERT A. HASTY, JR.
Assistant County Attorney

OFFICE OF THE COUNTY ATTORNEY

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

**MEMO FOR THE AGENDA OF THE FEBRUARY 8, 2018,
MEETING OF THE FINANCE COMMITTEE**

TO: Asst. Co. Manager Melissa Cardinali
FROM: Co. Atty. *R. Moorefield*
DATE: February 9, 2018
SUBJECT: Selection of Counsel to Pursue Opioid Litigation

Requested by Bd. of Commissioners
Estimate of Time Needed: 15 minutes

Attachments:

- (1) County Leadership Forum on Opioid Abuse-Prescription Data
- (2) NC Public Health-prescription opioid poisoning deaths by county
- (3) Draft of proposed contract with the McHugh Fuller (3 pages)
- (4) Draft of unmodified resolution requested by McHugh Fuller (2 pages)
- (5) Draft of proposed contract with the Crueger Dickinson (7 pages)
- (6) Draft of unmodified resolution requested by Crueger Dickinson (2 pages)

BACKGROUND:

As a measure of the extent of the opioid crisis in Cumberland County, I have included in the attachments data on opioid prescription rates and opioid poisoning deaths which is posted on the NCACC's website. The data shows, that although Cumberland County ranks in the bottom one-third of all counties for opioid pills per resident and opioid prescriptions per resident, it still had the fifth highest number of opioid poisoning deaths among all counties in 2015, the last year for which data has been published on this website. The rankings for all counties with more than 30 opioid poisoning deaths for 2015 were:

Mecklenburg	39 deaths
Wake	38 deaths
Forsyth	33 deaths
New Hanover	32 deaths
Cumberland	31 deaths
Burke	30 deaths

Based on the relative populations, it might be expected that Cumberland would rank in the top six counties for opioid poisoning deaths; however, this result is surprising with Cumberland's low ranking in the prescription use data.

The NCACC has been very active in assisting counties with the response to the opioid crisis. Staff at the NCACC interviewed a number of national law firms and groups of national law firms and selected two of those groups of law firms to make presentations to the county attorneys at a forum in November, 2017. Cumberland County has received proposals from each of those groups. A synopsis of each proposal follows:

The McHugh Fuller Group:

The group of national firms and local counsel for which Michael Jay Fuller, Jr., Esq., has been designated lead counsel are fully identified in the proposed contract which is attached. Local attorneys William O. Richardson, Esq., and Terry Hutchens, Esq., have been identified as the contact attorneys for Cumberland County. This group will sue the manufacturers and distributors. The abatement of the opioid epidemic as a public nuisance is one of many causes of action this group will pursue. That is the reason they require the counties they represent to adopt a resolution declaring the opioid crisis a public nuisance which must be abated.

This group's contract for legal representation provides for attorney's fees as a 25% contingency of the gross amount of any settlement/resolution/judgment in favor of the client and for reimbursements of all costs and expenses of the litigation from the balance. I have requested clarification on two issues with this contract. One is with respect to the language on how the attorney's fee and costs are paid if the relief is equitable in nature, and the other is whether they will provide representation against any claim for sanctions or a counterclaim. I have also asked for a modification for some of the language in the resolution to eliminate any findings by the Board that are not substantiated.

I received communication from one of the lawyers in the group shortly before this memo had to be submitted for the agenda and he confirmed that my questions about the contract and the resolution would be answered.

The Crueger Dickinson Group:

The group of national firms and local counsel for which Erin Dickinson, Esq., has been a spokesperson in N.C. are fully identified in the proposed contract which is attached. Although this group has engaged Janet Ward Black, Esq., of Greensboro as local counsel in North Carolina, they have agreed to engage a Cumberland County attorney as local counsel for Cumberland County. This group intends to only sue the manufacturers which are identified in the proposed contract. They have not asked for a declaration of public nuisance but have asked for a resolution in support of the litigation.

This group's contract for legal representation provides for attorney's fees as a 25% contingency of the gross amount of any settlement/resolution/judgment in favor of the client and for reimbursements of all costs and expenses of the litigation from the balance. This group's contract does not create a fee unless there is a monetary recovery acceptable to the county. This group will represent the county at no additional fee in any claim for sanctions or a counter-claim.

I requested a modification of some of the language in the resolution and that was accepted but I had not received the new draft by the time of submitting this memo for the agenda.

Under either of these contracts, the county could be liable for damages or attorney fees to the defendants if the defendants prevailed on any motion for sanctions or a counterclaim. Each of these groups of firms is exceptionally qualified to pursue this litigation.

RECOMMENDATION/PROPOSED ACTION:

I expect to have the answers to my questions about the contract with the McHugh Fuller Group, the identity of the local counsel for the Crueger Dickinson Group, and the final language for the resolutions requested by both groups at the time of the Committee meeting. That information is necessary to fairly compare these proposals.

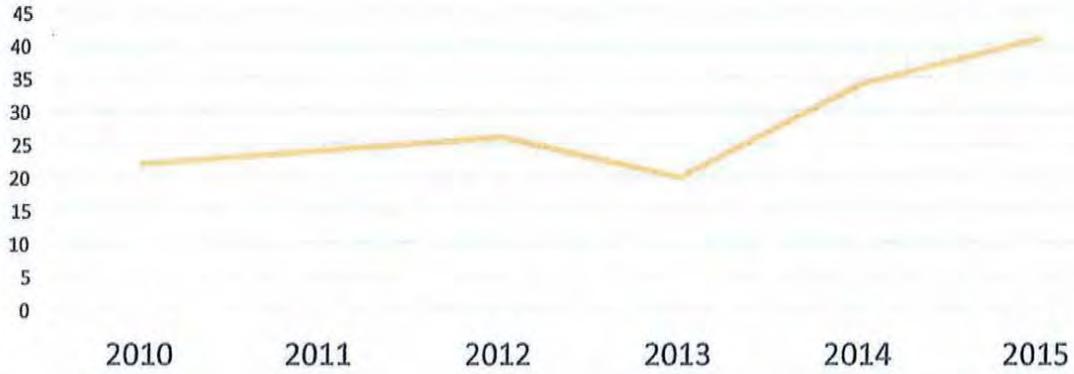
Of course, the Board may elect not to use either of these groups and seek other counsel.



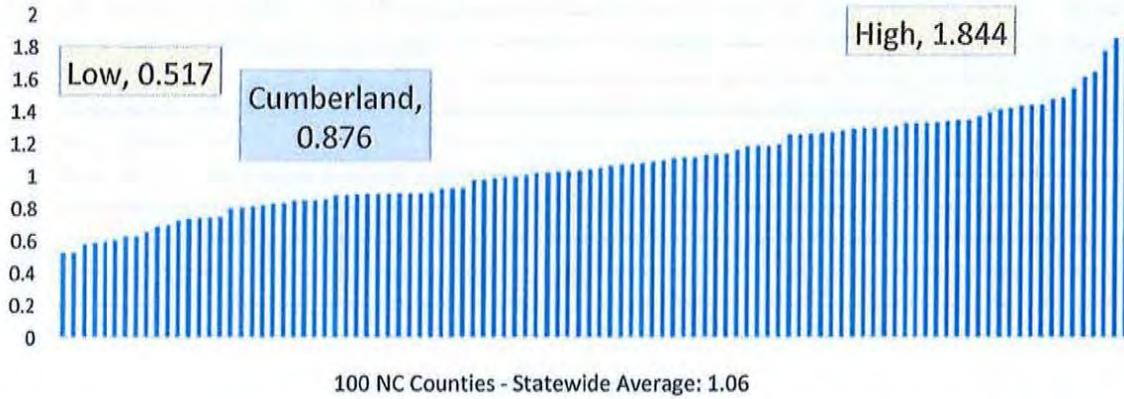
County Leadership Forum on Opioid Abuse



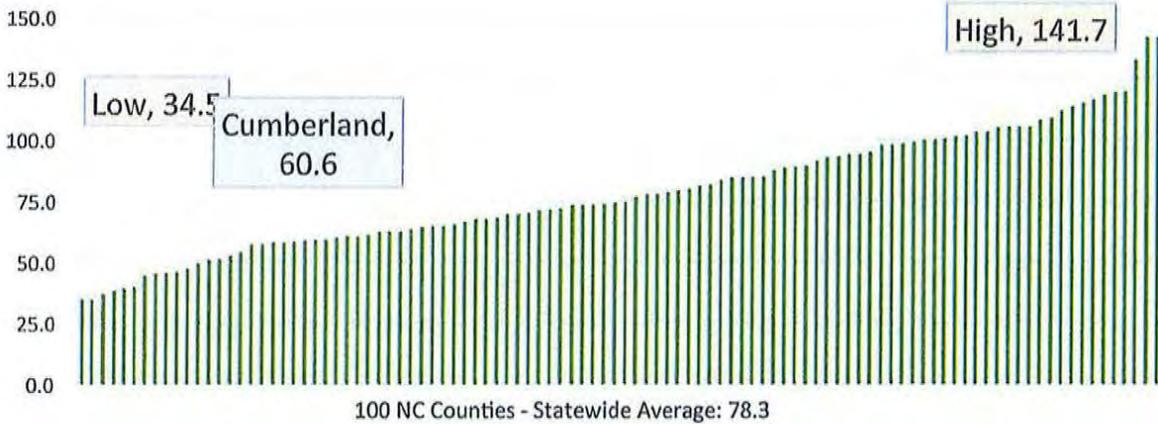
Prescription Opioid Poisoning Deaths



Opioid Prescriptions per Resident (2016)



Opioid Pills per Resident (2016)



Data on [Prescription Rates](#) and [Poisoning Deaths](#) courtesy of NC Dept. of Health and Human Services

All prescription opioid poisoning deaths by county: N.C. residents, 1999-2015

County	Year																	Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Alamance	3	4	4	5	10	2	8	6	11	16	15	7	9	6	6	15	5	129
Alexander	1	2	0	1	0	3	2	4	6	6	13	7	6	1	5	3	6	66
Alleghany	0	0	0	0	0	1	1	1	0	1	2	3	1	3	1	1	1	16
Anson	0	1	2	0	0	0	1	3	3	2	0	1	2	1	0	2	1	19
Ashe	1	3	2	1	4	0	2	5	1	4	5	3	2	3	6	3	2	47
Avery	0	1	3	1	4	2	2	4	5	1	2	1	2	4	1	1	3	37
Beaufort	0	4	1	0	1	1	5	3	2	3	2	5	4	3	6	3	2	47
Bertie	0	0	0	0	0	1	1	0	0	1	1	1	0	0	1	2	4	41
Bladen	0	1	0	0	2	2	0	4	4	4	4	1	0	0	2	0	1	8
Brunswick	2	3	6	9	10	8	12	12	7	11	20	18	20	21	18	15	20	242
Buncombe	3	9	8	19	14	23	25	16	23	17	14	16	18	23	9	13	19	270
Burke	1	7	11	10	9	16	12	17	22	20	16	14	10	19	19	18	30	251
Cabarrus	2	3	5	7	8	11	24	15	10	18	15	16	15	11	15	8	15	198
Caldwell	1	0	3	4	4	12	9	16	8	14	15	11	8	10	5	8	20	148
Camden	0	0	0	0	0	0	2	2	4	1	0	1	0	1	0	0	3	14
Carteret	1	7	5	5	5	13	12	6	8	12	10	8	12	3	6	13	12	138
Caswell	1	1	0	1	1	4	1	2	1	4	1	0	0	2	0	0	2	21
Catawba	2	3	13	11	12	12	9	12	21	16	20	12	22	12	17	14	16	224
Chatham	0	1	0	0	1	2	1	4	1	2	4	5	4	3	0	5	1	34
Cherokee	3	2	2	5	4	7	6	5	8	6	5	11	6	5	3	4	1	89
Chowan	1	0	1	1	0	0	0	0	0	0	1	0	0	1	3	4	1	9
Clay	0	1	1	1	1	0	0	1	4	3	0	0	0	0	2	0	3	9
Cleveland	1	5	9	4	11	6	7	9	10	16	13	15	5	12	8	8	15	22
Columbus	2	2	1	5	1	4	7	4	10	7	14	9	8	5	3	6	9	97
Craven	0	2	1	7	4	11	12	9	7	11	10	6	3	3	13	9	17	125
Cumberland	5	6	5	6	8	11	12	14	9	18	27	22	23	16	16	26	31	256
Currituck	0	0	0	0	1	1	0	2	1	3	3	2	0	1	0	1	3	18
Dare	0	2	4	3	7	8	1	2	5	3	5	5	3	3	3	6	3	63
Davidson	1	6	3	7	10	17	15	19	16	25	15	12	17	13	18	25	15	234
Davie	1	1	1	2	2	4	5	5	4	5	5	3	3	2	3	5	2	53
Duplin	0	0	0	1	1	2	2	3	2	0	4	2	3	2	2	1	3	28
Durham	4	6	3	6	10	10	5	9	12	17	7	13	6	5	14	6	13	148
Edgecombe	0	2	0	1	1	2	3	1	2	1	2	2	1	2	5	5	6	36
Forsyth	5	10	6	17	16	13	12	27	22	28	21	15	28	22	24	30	33	329
Franklin	0	2	1	0	1	2	4	4	6	5	4	2	1	4	3	2	5	46
Gaston	12	13	21	19	17	24	23	26	39	22	29	33	24	31	24	26	22	405
Gates	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0	1	4
Graham	0	0	0	0	2	0	1	0	0	2	0	5	1	2	0	0	2	15
Granville	0	2	3	2	0	1	1	1	2	5	5	2	4	6	3	4	3	44
Greene	0	1	0	0	1	0	1	1	0	0	0	1	0	0	0	0	0	5
Guilford	13	10	15	14	11	20	23	26	29	19	29	21	20	22	9	28	29	338
Halifax	0	1	0	3	1	4	2	2	0	2	4	1	1	3	3	2	5	34
Harnett	1	2	3	1	4	6	7	4	5	12	5	11	6	8	9	11	10	105
Haywood	2	4	3	8	10	5	8	6	6	7	7	12	4	14	8	2	8	114
Henderson	3	5	11	4	13	16	9	6	9	14	14	15	11	7	17	8	13	175
Hertford	0	0	0	0	2	1	1	0	2	0	0	0	0	1	1	0	0	8
Hoke	0	1	1	1	0	3	1	2	3	2	2	2	4	1	5	4	2	34
Hyde	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0	0	0	3
Iredell	0	4	3	1	11	14	12	11	24	12	20	15	20	12	10	17	10	196
Jackson	0	0	2	3	5	5	4	6	3	7	5	6	5	3	3	4	3	64
Johnston	2	2	3	3	5	6	8	5	9	5	13	15	11	8	9	10	17	131
Jones	0	0	1	1	1	0	1	0	0	1	2	0	0	0	0	0	3	10
Lee	0	0	2	3	3	4	2	4	7	4	3	5	6	7	5	4	5	64
Lenoir	2	2	2	1	5	1	1	2	2	1	1	5	0	1	2	5	3	108
Lincoln	2	2	0	5	3	6	5	10	9	8	13	4	11	9	12	6	3	75
McDowell	0	1	1	4	4	5	5	5	12	8	4	5	4	4	2	4	7	75
Macon	0	0	0	4	2	8	2	12	5	4	1	3	2	1	4	2	4	54
Madison	0	0	0	2	0	3	0	0	7	1	0	5	1	2	0	1	6	28
Martin	0	1	0	0	0	1	1	1	3	2	3	1	0	3	1	1	1	19
Mecklenburg	3	8	9	13	20	25	23	30	27	33	31	41	35	35	22	36	39	430
Mitchell	1	2	2	3	5	3	3	5	1	5	3	1	2	4	1	1	4	46
Montgomery	0	1	1	1	1	1	3	4	0	2	1	2	0	2	2	0	2	23
Moore	0	2	2	6	8	6	4	4	6	4	11	4	4	6	3	7	10	87
Nash	0	0	5	3	3	3	2	4	4	1	2	4	2	4	6	9	8	60
New Hanover	3	7	7	9	11	12	18	14	16	23	21	22	27	17	19	14	32	272
Northampton	0	2	1	1	0	1	1	0	0	0	1	0	1	0	1	2	0	11

All prescription opioid poisoning deaths by county: N.C. residents, 1999-2015

County	Year																	Total
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Onslow	0	4	4	5	5	5	10	13	12	9	14	9	12	17	13	13	13	159
Orange	3	3	8	0	6	6	7	4	9	5	9	5	6	9	3	5	4	92
Pamlico	0	1	1	2	0	0	2	0	1	0	1	1	1	1	0	3	3	16
Pasquotank	0	1	1	0	0	1	3	3	2	4	2	0	4	1	2	2	2	28
Pender	0	0	2	2	1	3	1	3	4	9	4	7	4	5	7	1	10	63
Perquimans	0	0	1	2	1	0	0	0	1	2	0	0	1	1	0	1	1	11
Person	0	1	0	1	2	1	4	0	3	5	2	2	5	4	3	2	3	38
Pitt	2	4	4	5	8	9	7	7	3	11	7	8	3	6	11	17	10	122
Polk	0	2	3	1	0	0	1	4	3	3	3	5	3	5	0	0	2	32
Randolph	3	3	4	7	4	5	7	9	14	7	17	13	19	11	16	11	21	171
Richmond	0	1	3	3	7	6	7	6	2	8	10	5	9	7	6	9	9	98
Robeson	0	2	3	4	4	0	4	1	4	6	7	6	12	13	12	13	11	102
Rockingham	0	4	3	2	10	6	14	11	16	15	6	8	12	9	9	6	10	141
Rowan	4	6	5	18	8	22	19	15	16	27	27	16	27	21	10	20	21	282
Rutherford	1	7	10	7	7	5	10	11	15	17	10	6	6	7	9	7	13	148
Sampson	1	2	4	1	2	3	0	8	7	9	8	4	8	4	4	14	5	84
Scotland	1	1	0	2	1	2	7	3	3	6	0	3	3	3	3	6	5	49
Stanly	0	3	1	1	3	2	7	4	8	4	6	12	7	8	3	5	11	85
Stokes	0	1	0	2	5	2	1	10	4	11	4	4	10	2	5	5	10	76
Surry	0	1	3	4	1	8	9	12	6	8	11	16	10	12	10	15	6	132
Swain	0	0	1	2	2	3	2	4	4	5	2	8	2	2	1	1	1	40
Transylvania	0	1	1	1	4	3	5	4	5	4	6	4	4	6	5	4	4	61
Tyrrell	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	2
Union	4	0	3	2	5	5	9	10	5	12	7	7	6	5	9	9	13	111
Vance	1	0	1	1	2	3	5	1	4	3	4	2	2	2	1	3	5	40
Wake	10	8	11	9	18	5	28	26	22	31	27	31	30	18	31	35	38	378
Warren	0	0	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	3
Washington	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	3
Watauga	0	3	2	0	3	2	3	3	7	5	7	1	3	2	3	3	3	50
Wayne	0	3	3	5	1	5	3	3	9	7	6	10	9	5	5	2	6	82
Wilkes	4	5	2	1	13	4	14	20	16	25	28	14	9	15	18	28	23	239
Wilson	1	1	0	2	1	2	2	2	3	2	1	1	4	2	3	3	3	33
Yadkin	0	1	3	1	1	3	5	5	5	5	5	7	6	7	8	10	3	75
Yancey	0	0	5	3	1	3	0	5	3	3	3	6	4	5	0	4	5	50
STATE	120	234	291	351	440	519	589	642	702	776	770	717	709	651	624	728	854	9,717

Codes used: cdeath1-cdeath21 any mention of T40.2 (Other Opioids), T40.3 (Methadone) and/or T40.4 (Other synthetic opioid)
NOTE: If using ANY MENTION by drug type, there is a potential for cases to be listed in other tables (i.e., Methadone or Other Opioids)

AUTHORITY TO REPRESENT

RE: Cumberland County, North Carolina civil suit against those legally responsible for the wrongful distribution of prescription opiates and damages caused thereby.

CUMBERLAND COUNTY, NORTH CAROLINA (hereinafter "CLIENT") hereby retains the law firm MCHUGH FULLER LAW GROUP, PLLC, pursuant to the North Carolina Rules of Professional Responsibility, on a contingent fee basis, to pursue all civil remedies against those in the chain of distribution of prescription opiates responsible for the opioid epidemic which is plaguing Cumberland County, North Carolina, including, but not limited to, filing a claim for public nuisance to abate the damages caused thereby. **Michael Jay Fuller, Jr., Esq.** of the law firm MCHUGH FULLER LAW GROUP, PLLC shall serve as LEAD COUNSEL. CLIENT authorizes lead counsel to employ and/or associate additional counsel, with consent of CLIENT, to assist LEAD COUNSEL in the just prosecution of the case. CLIENT consents to the participation of the following firms:

GREENE, KETCHUM, FARRELL, BAILEY & TWEEL, LLP
419 11th Street
Huntington, West Virginia

LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA
316 South Baylen Street
Pensacola, Florida

BARON & BUDD, PC
3102 Oak Lawn Avenue #1100
Dallas, Texas

HILL PETERSON CARPER BEE & DEITZLER PLLC
500 Tracy Way
Charleston, West Virginia

MCHUGH FULLER LAW GROUP
97 Elias Whiddon Rd
Hattiesburg, Mississippi

Paul D. Coates, Attorney at Law
Pinto, Coates, Kyre & Bowers, PLLC
3203 Brassfield Rd.
Greensboro, N.C. 27410

Donald R. Vaughan and Associates
Attorneys and Counselors at Law
612 W. Friendly Avenue
Greensboro, North Carolina 27401

George B. Daniel, Attorney at Law
George B. Daniel, P.A.
139 E. Main Street
Yanceyville, NC 27379

William O. Richardson, Attorney at Law
The Richardson Firm, PLLC
4200 Morganton Road, Suite 150
Fayetteville, NC 28314

In consideration, CLIENT agrees to pay twenty-five percent (25%) of the total recovery (gross) in favor of the CLIENT as an attorney fee whether the claim is resolved by compromise, settlement, or trial and verdict (and appeal). The gross recovery shall be calculated on the amount obtained before the deduction of costs and expenses. CLIENT grants Attorneys an interest in a fee based on the gross recovery. If a court awards attorneys' fees, Attorneys shall receive the "greater of" the gross recovery-based contingent fee or the attorneys' fees awarded. **There is no fee if there is no recovery.**

MCHUGH FULLER LAW GROUP, PLLC and the other law firms, hereinafter referred to as the "Attorneys," agree to advance all litigation expenses necessary to prosecute these claims. All such litigation expenses, including the reasonable internal costs of electronically stored information (ESI) and electronic discovery generally or the direct costs incurred from any outside contractor for those services, will be deducted from any recovery after the contingent fee is calculated. **There is no reimbursement of litigation expenses if there is no recovery.**

The CLIENT acknowledges this fee is reasonable given the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly, the likelihood this employment will preclude other employment by the Attorneys, the fee customarily charged in the locality for similar legal services, the anticipated (contingent) litigation expenses and the anticipated results obtained, the experience, reputation, and ability of the lawyer or lawyers performing the services and the fact that the fee is contingent upon a successful recovery.

This litigation is intended to address a significant problem in the community. The litigation focuses on the manufacturers and wholesale distributors and their role in the diversion of millions of prescription opiates into the illicit market which has resulted in opioid addiction, abuse, morbidity and mortality. There is no easy solution and no precedent for such an action against this sector of the industry. Many of the facts of the case are locked behind closed doors. The billion dollar industry denies liability. The litigation will be very expensive and the litigation expenses will be advanced by the Attorneys with reimbursement contingent upon a successful recovery. The outcome is uncertain, like all civil litigation, with compensation contingent upon a successful recovery. Consequently, there must be a clear understanding between the CLIENT and the Attorneys regarding the definition of a "successful recovery."

The Attorneys intend to present a damage model designed to abate the public health and safety crisis. This damage model may take the form of money damages or equitable remedies (e.g., abatement fund). The purpose of the lawsuit is to seek reimbursement of the costs incurred in the past fighting the opioid epidemic and/or to recover the funds necessary to abate the health and safety crisis caused by the unlawful conduct of the manufacturers and wholesale distributors. The CLIENT agrees to compensate the Attorneys, contingent upon prevailing, by paying 25% of any settlement/resolution/judgment, in favor of the CLIENT, whether it takes the form of monetary damages or equitable relief. For instance, if the remedy is in the form of monetary damages, CLIENT agrees to pay 25% of the gross amount to Attorneys as compensation and then reimburse the reasonable litigation expenses. If the remedy is in the form of equitable relief (e.g., abatement fund), CLIENT agrees to pay 25% of the gross value of the equitable relief to the Attorneys as compensation and then reimburse the reasonable litigation expenses. To be clear, Attorneys shall not be paid nor receive reimbursement from public funds. However, any judgment arising from successful prosecution of the case, or any consideration arising from a settlement of the matter, whether monetary or equitable, shall not be considered public funds for purposes of calculating the contingent fee. Under no circumstances shall the CLIENT be obligated to pay any Attorneys fee or any litigation expenses except from moneys expended by defendant(s) pursuant to the resolution of the CLIENT's claims. If the defendant(s) expend their own resources to abate the public health and safety crisis in exchange for a release of liability, then the Attorneys will be paid the designated contingent fee from the resources expended by the defendant(s). CLIENT acknowledges this is a necessary condition required by the Attorneys to dedicate their time and invest their resources on a contingent basis to this enormous project. If the defendant(s) negotiate a release of liability, then the Attorneys should be compensated based upon the consideration

offered to induce the dismissal of the lawsuit.

The division of fees, expenses and labor between the Attorneys will be decided by private agreement between the law firms and subject to approval by the CLIENT. Any division of fees will be governed by the North Carolina Rules of Professional Conduct including: (1) the division of fees is in proportion to the services performed by each lawyer or each lawyer assumes joint responsibility for the representation and agrees to be available for consultation with the CLIENT; (2) the CLIENT agrees to the arrangement, including the share each lawyer will receive, and the agreement is confirmed in this writing; and (3) the total fee is *reasonable*.

WILLIAM O. RICHARDSON, ESQ. OF THE RICHARDSON FIRM. P.L.L.C, and TERRY HUTCHENS, ESQ. OF HUTCHENS LAW FIRM, shall serve as the contact person to keep the CLIENT reasonably informed about the status of the matter in a manner deemed appropriate by the CLIENT. During the course of representation, Attorneys may arrange for the provision of services by a public relations firm for the CLIENT'S benefit in conjunction with Attorney's representation of CLIENT and at no cost to the CLIENT. The CLIENT at all times shall retain the authority to decide the disposition of the case and maintain absolute control of the litigation. The CLIENT shall have the opportunity to review and approve any Complaint filed on its behalf pursuant to this Agreement and shall have the authority to approve the inclusion of defendants named therein. **If in the course of litigation it becomes apparent that CLIENT will be subject to any counter-claim or sanctions, CLIENT shall be notified as soon as is practicable.**

Upon conclusion of this matter, LEAD COUNSEL shall provide the CLIENT with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination. The closing statement shall specify the manner in which the compensation was determined under the agreement, any costs and expenses deducted by the lawyer from the judgment or settlement involved, and, if applicable, the actual division of the lawyers' fees with a lawyer not in the same firm, as required in Rule 1.05 (e)(3) of the North Carolina Rules of Professional Conduct. The closing statement shall be signed by the CLIENT and each attorney among whom the fee is being divided.

Local North Carolina Counsel, in their discretion, are authorized to retain additional local counsel or consultants to represent or assist Counsel and the Client at no additional fee to the Client. Local counsel are not obligated to pay or advance any costs or expenses, but are entitled to reimbursement out of any recovery for any costs and expenses they incur.

Nothing in this Agreement and nothing in the Attorneys' statement to the CLIENT may be construed as a promise or guarantee about the outcome of this matter. The Attorneys make no such promises or guarantees. Attorneys' comments about the outcome of this matter are expressions of opinion only and the Attorneys make no guarantee as to the outcome of any litigation, settlement or trial proceedings.

SIGNED, this _____ day of _____, 2018.

Cumberland County Board of Commissioners

Chairman

Commissioner

Commissioner

RESOLUTION NO. _____

TO THE HONORABLE BOARD OF SUPERVISORS OF _____ COUNTY,

MEMBERS,

WHEREAS, _____ County ("County") is concerned with the recent rapid rise in troubles among County citizens, residents, and visitors in relation to problems arising out of the use, abuse and overuse of opioid medications, which according to certain studies, impacts millions of people across the country; and

WHEREAS, issues and concerns surrounding opioid use, abuse and overuse by citizens, residents and visitors are not unique to County and are, in fact, issues and concerns shared by all other counties in _____ and, for that matter, states and counties across the country, as has been well documented through various reports and publications, and is commonly referred to as the Opioid Epidemic ("Opioid Epidemic"); and

WHEREAS, the societal costs associated with the Opioid Epidemic are staggering and, according to the Centers for Disease Control and Prevention, amount to over \$75 billion annually; and

WHEREAS, the National Institute for Health has identified the manufacturers of certain of the opioid medications as being directly responsible for the rapid rise of the Opioid Epidemic by virtue of their aggressive and, according to some, unlawful and unethical marketing practices; and

WHEREAS, certain of the opioid manufacturers have faced civil and criminal liability for their actions that relate directly to the rise of the Opioid Epidemic; and

WHEREAS, County has spent millions in unexpected and unbudgeted time and resources in its programs and services related to the Opioid Epidemic; and

WHEREAS, County is responsible for a multitude of programs and services, all of which require County to expend resources generated through state and federal aid, property tax levy, fees and other permissible revenue sources; and

WHEREAS, County's provision of programs and services becomes more and more difficult every year because the costs associated with providing the Opioid Epidemic programs and services continue to rise, yet County's ability to generate revenue is limited by strict levy limit caps and stagnant or declining state and federal aid to County; and

WHEREAS, all sums that County expends in addressing, combatting and otherwise dealing with the Opioid Epidemic are sums that cannot be used for other critical programs and services that County provides to County citizens, residents and visitors; and

WHEREAS, County has been informed that numerous counties and states across the country have filed or intend to file lawsuits against certain of the opioid manufacturers in an effort to force the persons and entities responsible for the Opioid Epidemic to assume financial responsibility for the costs associated with addressing, combatting and otherwise dealing with the Opioid Epidemic; and

WHEREAS, County has engaged in discussions with representatives of the law firms of Crueger Dickinson LLC, Simmons Hanly Conroy LLC von Briesen & Roper, s.c., (the “Law Firms”) related to the potential for County to pursue certain legal claims against certain opioid manufacturers; and

WHEREAS, County has been informed that the Law Firms have the requisite skill, experience and wherewithal to prosecute legal claims against certain of the opioid manufacturers on behalf of public entities seeking to hold them responsible for the Opioid Epidemic; and

WHEREAS, the Law Firms have proposed that County engage the Law Firms to prosecute the aforementioned claims on a contingent fee basis whereby the Law Firms would not be compensated unless County receives a financial benefit as a result of the proposed claims and the Law Firms would advance all claim-related costs and expenses associated with the claims; and

WHEREAS, all of the costs and expenses associated with the claims against certain of the opioid manufacturers would be borne by the Law Firms; and

WHEREAS, the Law Firms have prepared an engagement letter, which is submitted as part of this Resolution (“Engagement Letter”) specifying the terms and conditions under which the Law Firms would provide legal services to County and otherwise consistent with the terms of this Resolution; and

WHEREAS, County is informed that the _____ Counties Association has engaged in extensive discussions with the Law Firms and has expressed a desire to assist the Law Firms, County and other counties in the prosecution of claims against certain of the opioid manufacturers; and

WHEREAS, County would participate in the prosecution of the claim(s) contemplated in this Resolution and the Engagement Letter by providing information and materials to the Law Firms and, as appropriate, the Wisconsin Counties Association as needed; and

WHEREAS, County believes it to be in the best interest of County, its citizens, residents, visitors and taxpayers to join with other counties in and outside Wisconsin in pursuit of claims against certain of the opioid manufacturers, all upon the terms and conditions set forth in the Engagement Letter; and

WHEREAS, by pursuing the claims against certain of the opioid manufacturers, County is attempting to hold those persons and entities that had a significant role in the creation of the Opioid Epidemic responsible for the financial costs assumed by County and other public agencies across the country in dealing with the Opioid Epidemic.

NOW, THEREFORE, BE IT RESOLVED:

County authorizes, and agrees to be bound by, the Engagement Letter and hereby directs the appropriate officer of the County to execute the Engagement Letter on behalf of the County; and

BE IT FURTHER RESOLVED:

County shall endeavor to faithfully perform all actions required of County in relation to the claims contemplated herein and in the Engagement Letter and hereby directs all County personnel to cooperate with and assist the Law Firms in relation thereto.

The County Clerk shall forward a copy of this Resolution, together with the signed Engagement Letter, to the _____ Counties Association,
_____(ADDRESS)

Respectfully submitted this _____ day of _____, 2017.

[COMMITTEE]

**[FISCAL NOTE]

29264534_1.DOCX

February 7, 2018

VIA EMAIL

Cumberland County

RE: *Engagement of Simmons Hanly Conroy LLC, Crueger Dickinson LLC, von Briesen & Roper, s.c., and Ward Black Law as Counsel in Relation to Claims Against Opioid Manufacturers*

Dear Cumberland County:

The purpose of this letter (“Engagement Letter”) is to set out in writing the terms and conditions upon which the law firms of Simmons Hanly Conroy LLC, Crueger Dickinson LLC, von Briesen & Roper, s.c., and Ward Black Law (collectively “Counsel”) will provide legal services to Cumberland County (“County”) in relation to the investigation and prosecution of certain claims against the following manufacturers and other parties involved with the manufacture of opioid medications: Purdue Pharma L.P., Purdue Pharma Inc., The Purdue Frederick Company, Inc., Teva Pharmaceuticals USA, Inc., Cephalon, Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc. n/k/a Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc. n/k/a Janssen Pharmaceuticals, Inc.; Endo Health Solutions Inc., Endo Pharmaceuticals, Inc. (collectively “Opioid Manufacturers”). Depending upon the results of initial investigations of the facts and circumstances surrounding the potential claim(s), there may be additional parties sought to be made responsible and/or certain of the aforementioned parties may be removed from the potential claim.

This Engagement Letter shall apply solely and exclusively to the services set forth herein in relation to the investigation and Lawsuit, as defined below. This Engagement Letter does not govern, nor does it apply to, any services of either Counsel unrelated thereto.

SCOPE OF SERVICES

Counsel will work with County in the collection of information necessary to form a good faith basis for filing a claim against the Opioid Manufacturers. County hereby authorizes Counsel to file a lawsuit against one or all of the Opioid Manufacturers (“Lawsuit”) upon the terms and conditions set forth herein.

RESPONSIBILITIES

Counsel will prosecute the Lawsuit with diligence and keep County reasonably informed of progress and developments, and respond to County’s inquiries. County understands and agrees that all fees paid to Counsel shall be as set forth in this Engagement Letter. County agrees to cooperate with Counsel in the gathering of information necessary to investigate and prosecute the Lawsuit. County further understands and agrees that the law firm of von Briesen & Roper, s.c., shall not be identified on any pleading as counsel of record for County in relation to the Lawsuit, but shall be available to assist County and Counsel in relation to the Lawsuit.

The following additional terms apply to the relationship between County and Counsel:

- A. Counsel shall remain sufficiently aware of the performance of one another and the performance to ascertain if each firm's handling of the Lawsuit conforms to the Rules of Professional Conduct. Counsel shall be available to County regarding any concerns on the part of County relating to the performance of Counsel. Counsel shall at all times remain ethically and financially responsible to the County for the services of Counsel set forth herein.
- B. As set forth below, County's responsibility for attorney fees and expenses is contingent upon the successful outcome of the Lawsuit, as further defined below. Counsel have agreed in writing as to the appropriate split of attorney fees and expenses. Specifically, in the event of a Recovery (as defined below), the attorney fees will be split between the law firms as follows:

<u>Firm Name</u>	<u>Percentage of Fees if Successful</u>
Ward Black Law	10%
von Briesen & Roper, s.c.	10%
Crueger Dickinson LLC	40%
Simmons Hanly Conroy LLC	40%

The split of attorneys' fees between Counsel may be subject to change. In the event of such an amendment, the County will be notified in writing of that amendment.

- C. Counsel and County understand and agree that Counsel will all be considered attorneys for County. As such, each and all of Counsel will adhere to the Rules of Professional Responsibility governing the relationship between attorney and client.

ACTUAL AND POTENTIAL CONFLICTS OF INTEREST AND WAIVER OF CONFLICT

As County is aware, Counsel contemplate entering into the same arrangement as that set forth in this Engagement Letter with other counties and municipalities in North Carolina and elsewhere. Counsel believe that the goals and objectives of County are aligned with the goals and objectives of all other counties and municipalities with respect to the Lawsuit. Counsel do not believe that to achieve the goals of the Lawsuit, either County or another county or municipality must take a position that is adverse to the interests of the other. However, to the extent any issue may arise in this matter about which County disagrees with another county or municipality, and one of you may wish to pursue a course that benefits one but is detrimental to the interest of the other, we cannot advise County or assist County or any other county or municipality in pursuing such a course. That is to say, Counsel cannot advocate for County's individual interests at the expense of the other counties or municipalities that Counsel represent in a Lawsuit. Counsel do not believe that this poses a problem because County's interests are currently aligned with the other counties and municipalities that are or may be in the Lawsuit. Counsel are confident that their representation of County will not be limited in this matter by representation of any other county or municipality, but County should consider these consequences of joint representation in deciding whether to waive this conflict.

In addition to the material limitation discussed above, there are other consequences for County in agreeing to joint representation. Because each county or municipality would be a client of Counsel, Counsel owe equal duties of loyalty and communication to each client. As such, Counsel must share all relevant information with all counties and municipalities who are clients in relation to the Lawsuit and Counsel cannot, at the request of one county or municipality, withhold relevant information from the other client. That is to say, Counsel cannot keep secrets about this matter among the counties and municipalities who are clients of Counsel with respect to the Lawsuit. Also, lawyers normally cannot be forced to divulge information about communications with their clients because it is protected by the attorney-client privilege. However, because County would be a joint client in the same matter with other counties and municipalities, it is likely that were there to be a future legal dispute between County and other counties or municipalities that engage Counsel about this matter, the attorney-client privilege would not apply, and each would not be able to invoke the privilege against the claims of the other.

Further, while County's position is in harmony with other counties and municipalities presently, and the conflict discussed above is waivable, facts and circumstances may change. For example, County may change its mind and wish to pursue a course that is adverse to the interests of another county or municipality and the conflict may become unwaivable. In that case, depending upon the circumstances, Counsel may have to withdraw from representing either County or another county or municipality and County would have to bear the expense, if County chooses, of hiring new lawyers who would have to get up to speed on the matter.

County is not required to agree to waive this conflict, and County may, after considering the risks involved in joint representation, decline to sign this Engagement Letter. By signing this Engagement Letter, County is signifying its consent to waiving the conflict of interest discussed herein.

Other than the facts and circumstances related to the joint representation of numerous counties and municipalities, Counsel are unaware of any facts or circumstances that would prohibit Counsel from providing the services set forth in this Engagement Letter. However, it is important to note that the law firm of von Briesen & Roper, s.c., is a relatively large law firm based in Wisconsin and represents many companies and individuals. It is possible that some present and future clients of von Briesen & Roper, s.c., will have business relationships and potential or actual disputes with County. von Briesen & Roper, s.c., will not knowingly represent clients in matters that are actually adverse to the interests of County without County's permission and informed consent. von Briesen & Roper, s.c., respectfully requests that County consent, on a case by case basis, to von Briesen & Roper, s.c.'s representation of other clients whose interests are, or maybe adverse to, the interests of County in circumstances where County has selected other counsel and where von Briesen & Roper, s.c., has requested a written conflict waiver from County after being advised of the circumstances of the potential or actual conflict and County has provided informed consent.

FEES FOR LEGAL SERVICES AND RESPONSIBILITY FOR EXPENSES

A. Calculation of Contingent Fee

There is no fee for the services provided herein unless a monetary recovery acceptable to County is obtained by Counsel in favor of County, whether by suit, settlement, or otherwise ("Recovery"). County understands and agrees that a Recovery may occur in any number of different fashions such as final judgment in the Lawsuit, settlement of the Lawsuit, or appropriation to County following a nationwide settlement or extinguishing of claims in lawsuits and matters similar to the Lawsuit. Counsel agree to advance all costs and expenses of Counsel, and the Lawsuit associated with investigating and prosecuting the Lawsuit provided, however, that the costs and expenses associated

with County cooperating with Counsel in conjunction with the Lawsuit and otherwise performing its responsibilities under this Engagement Letter are the responsibility of County. In consideration of the legal services to be rendered by Counsel, the contingent attorneys' fees for the services set forth in this Engagement Letter shall be a gross fee of 25% of the Recovery, which sum shall be divided among Counsel as set forth in the above chart.

Upon the application of the applicable fee percentage to the gross Recovery, and that dollar amount set aside as attorneys' fees to Counsel, the amount remaining shall first be reduced by the costs and disbursements that have been advanced by Counsel, and that amount shall be remitted to Counsel. By way of example only, if the gross amount of the Recovery is \$1,000,000.00, and costs and disbursements are \$100,000.00, then the fee to Counsel shall be \$250,000, the costs amount of \$100,000 shall be deducted from the balance of \$750,000.00, and the net balance owed to County shall be \$650,000. The costs and disbursements which may be deducted from a Recovery include, but are not limited to, the following, without limitation: court fees, process server fees, transcript fees, expert witness fees and expenses, courier service fees, appellate printing fees, necessary travel expenses of attorneys to attend depositions, interview witnesses, attend meetings related to the scope of this Engagement Letter and the like, and other appropriate matter related out-of-pocket expenses. In the event that any Recovery results in a monetary payment to County that is less than the amount of the costs incurred and/or disbursements made by Counsel, County shall not be required to pay Counsel and any more than the sum of the full Recovery.

B. Nature of Contingent Fee

No monies shall be paid to Counsel for any work performed, costs incurred or disbursements made by Counsel in the event no Recovery to County has been obtained. In the event of a loss at trial due to an adverse jury verdict or a dismissal of the Lawsuit by the court, no monies shall be paid to Counsel for any work performed, costs incurred or disbursements made by Counsel. In such an event, neither party shall have any further rights against the other.

C. Disbursement of Recovery Proceeds to County

The proceeds of any Recovery on County's behalf under the terms of this Engagement Letter shall be disbursed to County as soon as reasonably practicable after receipt by Counsel. At the time of disbursement of any proceeds from a Recovery, County will be provided with a detailed disbursement sheet reflecting the method by which attorney's fees have been calculated and the expenses of litigation that are due to Counsel from such proceeds. Counsel are authorized to retain out of any moneys that may come into their hands by reason of their representation of County the fees, costs, expenses and disbursements to which they are entitled as determined in this Engagement Letter.

TERMINATION OF REPRESENTATION

This Engagement Letter shall cover the period from the date first indicated below until the termination of the legal services rendered hereunder, unless earlier terminated as provided herein. This Engagement Letter may be terminated by County at any time, and in the event of such termination, neither party shall have any further rights against the other, except that in the event of a Recovery by County against the Opioid Manufacturers subsequent to termination, Counsel shall have a statutory lien on any such recovery as provided by applicable law and further maintain rights in the nature of *quantum meruit* to recover fees, costs and expenses reasonably allocable to their work prior to termination. Counsel may withdraw as County's attorneys at any time for the following reasons:

- A. If Counsel determine, in their sole discretion, that County's claim lacks merit or that it is not worthwhile to pursue the Lawsuit further; or
- B. For Good Cause. For purposes of this Paragraph, Good Cause may include County's failure to honor the terms of the Engagement Letter, County's failure to follow Counsel's advice on a material matter, or any fact or circumstance that would, in the view of Counsel, impair an effective attorney-client relationship or would render continuing representation unlawful or unethical. If terminated for Good Cause, County will take all steps necessary to free Counsel of any obligation to perform further, including the execution of any documents (including forms for substitution of counsel) necessary to complete withdrawal provided, however, that Counsel shall have a statutory lien on any Recovery as provided by applicable law and further maintain rights in the nature of *quantum meruit* to recover fees, costs and expenses reasonably allocable to their work prior to termination.

SETTLEMENT

County has the authority to accept or reject any final settlement amount after receiving the advice of Counsel. County understands settlements are a "compromise" of its claim(s), and that Counsel's fee, as set forth above, applies to settlements also. For example, if a settlement is reached, and includes future or structured payments, Counsel's fee shall include its contingent portion of those future or structured payments.

NO GUARANTEE OF RECOVERY

County understands and acknowledges that dispute resolution through litigation often takes years to achieve. County understands and acknowledges that there is no guarantee or assurances of any kind regarding the likelihood of success of the Lawsuit, but that Counsel will use their skill, diligence, and experience to diligently pursue the Lawsuit.

LIMITED LIABILITY

von Briesen & Roper, s.c., and Crueger Dickinson LLC are limited liability entities under Wisconsin law. This means that if Counsel fails to perform duties in the representation of County and that failure causes County damages, the firms comprising Counsel and the shareholder(s) or principals directly involved in the representation may be responsible to County for those damages, but the firm's other shareholders or principals will not be personally responsible. Counsel's professional liability insurance exceeds the minimum amounts required by the Wisconsin Supreme Court for limited liability entities of similar size.

COMMUNICATION BY E-MAIL

Counsel primarily communicates with its clients via unencrypted internet e-mail, and this will be the way in which communications occur with County. While unencrypted e-mail is convenient and fast, there is risk of interception, not only within internal networks and the systems used by internet service providers, but elsewhere on the internet and in the systems of our clients and their internet service providers.

FILE RETENTION AND DESTRUCTION

In accordance with Counsel's records retention policy, most paper and electronic records maintained are subject to a 10-year retention period from the last matter activity date or whatever date deemed appropriate. Extended retention periods may apply to certain types of matters or pursuant to County's specific directives.

After the expiration of the applicable retention period, Counsel will destroy records without further notice to County, unless County otherwise notifies in writing.

MISCELLANEOUS

This Engagement Letter shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to conflicts of law rules. In the event of any dispute arising out of the terms of this Engagement Letter, venue for any such dispute shall be exclusively designated in the state or federal courts of North Carolina.

It is expressly agreed that this Engagement Letter represents the entire agreement of the parties, that all previous understandings are merged in this Engagement Letter, and that no modification of this Engagement Letter shall be valid unless written and executed by all parties.

It is expressly agreed that if any term or provision of this Engagement Letter, or the application thereof to any person or circumstance, shall be held invalid or unenforceable to any extent, the remainder of this Engagement Letter, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby; and every other term and provision of this Engagement Letter shall be valid and shall be enforced to the fullest extent permitted by law.

The parties acknowledge that they have carefully read and fully understand all of the provisions of this Engagement Letter, and that they have the capacity to enter into this Engagement Letter. Each party and the person signing on behalf of each party, represents that the person signing this Engagement Letter has the authority to execute this document and thereby bind the party hereto on whose behalf the person is signing. Specifically, County acknowledges that it is bound by this Engagement Letter, has satisfied all conditions precedent to execution of this Engagement Letter and will execute all the necessary documents that may be required by its governing statutes and/or code.

CONCLUSION

Counsel are pleased to have this opportunity to be of service to County. If at any time during the course of representation you have any questions or comments about our services or any aspect of how we provide services, please don't hesitate to call one or all of the individuals listed below.

Very truly yours,

CRUEGER DICKINSON LLC



Erin K. Dickinson

SIMMONS HANLY CONROY LLC



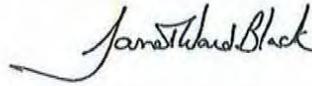
Paul J. Hanly

von BRIESEN & ROPER, s.c.



Andrew T. Phillips

WARD BLACK LAW



Janet Ward Black

CUMBERLAND COUNTY agrees to retain the services of Counsel all upon the terms and conditions specified above.

By:

Title:

Date:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF
CUMBERLAND, NORTH CAROLINA

Date: _____

RESOLUTION NO. _____ (2018)

WHEREAS, the Cumberland County Board of Commissioners has the authority to adopt resolutions with respect to county affairs of Cumberland County, North Carolina, pursuant to N.C. Gen. Stat. § 153A-121;

WHEREAS, the Cumberland County Board of Commissioners has the authority to take action to protect the public health, safety, and welfare of the residents and citizens of Cumberland County;

WHEREAS, there exists a serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Cumberland County;

WHEREAS, the opioid crisis unreasonably interferes with rights common to the general public of Cumberland County; involves a significant interference with the public health, safety, peace, comfort and convenience of citizens and residents of Cumberland County; includes the delivery of controlled substances in violation of State and Federal law and regulations; and therefore constitutes a public nuisance;

WHEREAS, the opioid crisis is having an extended and far reaching impact of the general public, health, and safety, of residents and citizens of Cumberland County and must be abated;

WHEREAS, the violation of any laws of the State of North Carolina, or of the United States of America controlling the distribution of a controlled substance is inimical, harmful, and adverse to the public welfare of the residents and citizens of Cumberland County constitutes a public nuisance;

WHEREAS, the Cumberland County Board of Commissioners has the authority to abate, or cause to be abated, any public nuisance including those acts that unreasonably interfere with rights common to the general public of Cumberland County and/or involve a significant interference with the public health, safety, peace, comfort, and convenience of citizens and residents of Cumberland County;

WHEREAS, Cumberland County has expended, is expending and will continue to expend in the future County funds to respond to the serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality within Cumberland County; and

WHEREAS, the Cumberland County Board of Commissioners have received information that indicates that the manufacturers and wholesale distributors of controlled substances have distributed in areas surrounding Cumberland County, North Carolina, may have violated Federal

and/or State laws and regulations that were enacted to prevent the diversion of legally produced controlled substances into the illicit market.

NOW, THEREFORE, BE IT RESOLVED by the Cumberland County Board of Commissioners, assembled on this day at which a quorum is present, that based upon the above the Cumberland County Board of Commissioners are declaring the opioid crisis a public nuisance which must be abated for the benefit of Cumberland County and its residents and citizens.

BE IT FINALLY RESOLVED by that all resolutions that are inconsistent with this resolution are rescinded.

The motion to approve the foregoing resolution was made by Commissioner _____, seconded by Commissioner _____, and the following vote was recorded:

Larry Lancaster, Chairman _____

Dr. Jeannette M. Council, Vice-Chair _____

Glenn Adams, Commissioner _____

Michael Boose, Commissioner _____

Charles Evans, Commissioner _____

W. Marshall Faircloth, Commissioner _____

Jimmy Keefe, Commissioner _____

VICKI EVANS
Finance Director



ITEM NO. 10.

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 FEBRUARY 15, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE
FROM: VICKI EVANS, FINANCE DIRECTOR
DATE: JANUARY 25, 2018
SUBJECT: MONTHLY FINANCIAL REPORT – FISCAL YEAR 2018,
DECEMBER YEAR-TO-DATE

Presenter(s): Vicki Evans, Finance Director

Estimate of Committee Time Needed: 5 Minutes

BACKGROUND

The financial report is included which shows the fiscal year 2018 December year-to-date budget to actual (cash received/cash paid) comparison. Additional detail has been provided on a separate page explaining any percentages that may appear inconsistent with year-to-date budget expectations. Overall, revenues and expenditures are consistent with the same time as last fiscal year.

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	FY16-17 AUDITED	FY17-18 ADOPTED BUDGET	FY17-18 REVISED BUDGET	YTD ACTUAL	PERCENT OF BUDGET TO DATE *
				AS OF DECEMBER 31, 2017	
Ad Valorem Taxes					
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 118,783,375	74.1% (1)
Prior Years	1,046,732	1,121,000	1,121,000	730,393	65.2%
Motor Vehicles	17,683,864	18,070,242	18,070,242	7,447,574	41.2% (2)
Penalties and Interest	650,368	667,602	667,602	203,967	30.6%
Other	1,018,563	930,279	930,279	470,065	50.5%
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	127,635,374	70.5%
Other Taxes					
Sales	41,517,943	41,760,036	41,760,036	10,617,685	25.4% (3)
Real Estate Transfer	1,091,362	700,000	700,000	504,772	72.1%
Other	1,114,408	1,111,500	1,111,500	322,609	29.0%
Total Other Taxes	43,723,713	43,571,536	43,571,536	11,445,066	26.3%
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	70,367,342	21,836,590	31.0% (4)
Charges for Services	13,832,010	12,056,608	12,078,008	4,726,823	39.1%
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,028,020	957,942	13.6% (5)
Proceeds Refunding Bonds		-	23,005,000	23,005,000	100.0% (6)
Premium on COPS Sold		-	4,285,558	4,285,557	100.0% (6)
County Closing Contribution		-	254,736	254,735	100.0% (6)
Lease Land CFVMC	3,714,637	3,714,637	3,714,637	3,474,492	93.5% (7)
Total Other	12,660,158	10,703,527	38,287,951	31,977,726	83.5%
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 345,406,122	\$ 197,621,579	57.2%
Fund Balance Appropriation		8,889,652	8,236,525	-	0.0% (8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 353,642,647	\$ 197,621,579	55.9%

**County of Cumberland
General Fund Expenditures**

DEPARTMENTS	YTD ACTUAL					PERCENT OF BUDGET TO DATE **
	FY16-17 AUDITED	FY17-18 ADOPTED BUDGET	FY17-18 REVISED BUDGET	EXPENDITURES AS OF DECEMBER 31, 2017		
Governing Body	\$ 591,731	\$ 617,587	\$ 617,587	\$ 309,117		50.1%
Administration	2,515,558	1,501,201	1,501,201	670,273		44.6%
Public Affairs/Education	76,879	497,199	497,199	255,497		51.4%
Human Resources	30,245	828,896	828,896	378,708		45.7%
Print, Mail, and Design	754,908	875,345	875,345	357,468		40.8%
Court Facilities	55,786	129,370	168,010	58,953		35.1%
Facilities Maintenance	1,936,136	2,009,030	2,110,875	636,738		30.2%
Landscaping & Grounds	606,364	607,577	607,577	276,986		45.6%
Carpentry	231,715	234,884	234,884	91,519		39.0%
Facilities Management	1,238,266	1,267,781	1,267,781	588,836		46.4%
Public Buildings Janitorial	721,041	710,946	710,946	324,975		45.7%
Central Maintenance	798,075	672,386	672,386	309,640		46.1%
Information Services	3,388,444	3,958,479	4,067,447	1,914,680		47.1%
Board of Elections	1,180,015	2,237,762	2,237,762	542,548		24.2% ⁽¹⁾
Finance	1,205,572	1,201,225	1,201,225	547,140		45.5%
Legal	668,776	813,554	813,554	319,694		39.3%
Register of Deeds	2,092,298	2,321,099	2,761,865	903,661		32.7%
Tax	5,567,709	5,589,154	5,620,154	2,318,861		41.3%
Debt Service	23,400,669	21,464,283	21,466,328	15,291,222		71.2%
General Government Other	3,828,293	4,237,882	4,331,276	1,336,653		30.9%
Sheriff	47,212,707	50,250,550	50,503,775	21,599,693		42.8%
Emergency Services	3,064,405	3,320,934	3,392,791	1,529,072		45.1%
Criminal Justice Pretrial	434,987	426,673	426,673	173,918		40.8%
Youth Diversion	325	25,000	25,000	784		3.1% ⁽²⁾
Animal Control	2,932,986	2,922,717	2,947,717	1,360,348		46.1%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,007,220	1,075,666	1,075,666	399,140		37.1%
Heath	22,269,462	22,506,054	22,987,565	9,906,322		43.1%
Mental Health	3,148,761	5,452,507	3,281,366	2,186,543		66.6%
Social Services	71,524,059	66,425,182	67,141,445	28,763,119		42.8%
Veteran Services	\$ 371,189	\$ 385,725	\$ 385,725	\$ 184,990		48.0%

**County of Cumberland
General Fund Expenditures**

DEPARTMENTS	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	EXPENDITURES AS OF DECEMBER 31, 2017	BUDGET TO DATE **
Child Support	\$ 4,893,727	\$ 5,044,200	\$ 5,044,200	\$ 2,177,890	43.2%
Spring Lake Resource Administration	31,524	34,332	34,332	12,043	35.1%
Library	11,105,397	10,530,428	10,761,396	4,847,110	45.0%
Stadium Maintenance	110,288	117,296	117,296	36,632	31.2%
Culture Recreation Other (Some of the Community Funding)	312,816	268,069	268,069	143,967	53.7%
Planning	3,077,126	3,446,758	3,455,653	1,366,562	39.5%
Engineering	439,678	510,090	2,434,498	244,040	10.0% (3)
Cooperative Extension	570,083	705,596	705,596	228,226	32.3%
Location Services	357,095	447,221	447,221	149,214	33.4%
Soil Conservation	141,234	136,400	135,920	66,570	49.0%
Public Utilities	87,442	110,270	124,474	48,576	39.0%
Economic Physical Development Other	20,000	20,000	20,000	20,000	100.0% (4)
Industrial Park	3,296	23,148	23,148	474	2.0% (5)
Economic Incentive	420,423	548,418	710,918	28,749	4.0% (6)
Water and Sewer	-	250,000	250,000	-	0.0% (7)
Education	91,394,940	93,341,404	93,341,404	46,034,071	49.3%
Other Uses:					
Transfers Out	2,264,613	3,522,583	3,465,252	86,367	2.5% (8)
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,530,230	100.0% (9)
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 353,642,647	\$ 176,557,819	49.9%

Expenditures by Category	FY16-17 UNAUDITED	FY17-18 ADOPTED BUDGET	FY17-18 REVISED BUDGET	EXPENDITURES AS OF DECEMBER 31, 2017	PERCENT OF BUDGET TO DATE
Personnel Expenditures	\$ 131,620,131	\$ 136,744,346	\$ 135,622,863	\$ 58,253,028	43.0%
Operating Expenditures	158,133,695	157,914,300	161,059,225	73,795,127	45.8%
Capital Outlay	2,118,869	3,460,456	3,968,837	1,167,500	29.4% (10)
Debt Service	23,946,955	21,981,176	21,983,221	15,725,567	71.5%
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,530,230	100.0%
Transfers To Other Funds	2,264,613	3,522,583	3,465,252	86,367	2.5%
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 353,642,647	\$ 176,557,819	49.9%

COUNTY OF CUMBERLAND

Fiscal Year 2018 - December Year-to-Date Actuals

Additional Detail

General Fund Revenues

*

- (1) **Current Year Ad Valorem** 74.1% - the bulk of revenues are typically recorded between November - January.
- (2) **Motor Vehicles** 41.2% - YTD Actual reflects 5 months of collections.
- (3) **Sales Tax** 25.4% - YTD Actual reflects three months of collections.
- (4) **Unrestricted/Restricted Intergovernmental** Revenues 31.0% - lag in revenue is typically one month.
- (5) **Other Sources** (includes Transfers In) 13.6% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer from the School Fund into fund the Board of Ed debt payment toward year-end.
- (6) **Proceeds, Premium, Closing** 100% - COPS/LOBS refunding of \$23M closed in August 2017. (Correlates with item (9) on report of expenditures.)
- (7) **Lease Land CFVMC** 93.5% - typically paid in the beginning of the fiscal year. Staff are following up on the balance remaining.
- (8) **Fund Balance Appropriation** 0% - Direct entries are not made to fund balance throughout the fiscal year.

General Fund Expenditures

**

- (1) **Board of Elections** 24.2% - new voting equipment budgeted for \$809,045 has not yet been purchased.
- (2) **Youth Diversion** 3.1% - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
- (3) **Engineering** 10.0% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred. A budget revision was completed in December to move this grant into Engineering as that department is handling the projects.
- (4) **Economic Physical Development** 100% - NC Southeast contribution has been paid in full.
- (5) **Industrial Park** 2.0% - maintenance at Cedar Creek Industrial Park has not yet been completed.
- (6) **Economic Incentive** 4% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
- (7) **Water and Sewer** 0% - Funds budgeted for Overhills W&S have not yet been expended.
- (8) **Transfers Out** 2.5% - transfers out typically occur near year-end.
- (9) **Refunding** of 2009A and 2011B LOBS 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
- (10) **Capital Outlay** 29.4% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.