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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: June 1, 2018

SUBJECT: Finance Committee Regular Meeting – Thursday, June 7, 2018

There will be a regular meeting of the Board of Commissioners' committees (Finance, Policy and Facilities Committee) on Thursday, June 7, 2018 beginning at 8:30 a.m. in room 564 of the Judge E. Maurice Braswell Cumberland County Courthouse. All committee meetings will start as soon as the previous committee adjourns.

AGENDA

1. Approval of Minutes – May 3, 2018 Regular Meeting (**Pg. 2**)
2. Consideration of Workforce Development Board Recommendation to Award the Workforce Innovation Opportunities Act (WIOA) Title 1 Program Services Contract to Education Data Systems, Inc. (EDSI) (**Pg. 31**)
3. Consideration of a Standing Objection to the Waiver of Any Court Cost or Fine in Response to Session Law 2017-57 Section 18B.6(a)(b) (**Pg. 46**)
4. Monthly Updates
 - A. Health Insurance (**Pg. 50**)
 - B. CDBG-DR (**Pg. 53**)
 - C. Financial Report (**Pg. 54**)
5. Other Items of Business (**NO MATERIALS**)

May 3, 2018 Regular Meeting

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CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
MAY 3, 2018 – 8:30 AM
REGULAR MEETING MINUTES

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

OTHERS: Commissioner Jeannette Council
Commissioner Charles Evans
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Tammy Gillis, Director of Internal Audit and Wellness Services
Jeffery Brown, Engineering and Infrastructure Director
Amy Hall, Public Utilities
Deborah Shaw, Budget Analyst
Heather Harris, Budget Analyst
Candice H. White, Clerk to the Board

Commissioner Keefe called the meeting to order.

1. CONSIDERATION OF APPROVAL OF MINUTES - MARCH 1, 2018 REGULAR MEETING

MOTION: Commissioner Faircloth moved to approve the March 1, 2018 regular meeting minutes.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF ANNUAL SCHOOL FUNDING AGREEMENT FOR THE CUMBERLAND COUNTY SCHOOL SYSTEM

BACKGROUND:

At the April 16, 2018 Board of Commissioners meeting, the following March 1, 2018 Finance Committee recommendation was considered:

- A three-year funding agreement based on a rate of \$1,575 per allotted average daily membership (ADM).

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- The ADM rate of \$1,575 was derived from FY17 funding of \$79,463,109 and FY17 allotted ADM of 50,459.
- The allotted ADM did not include charter students, as originally thought.

The action at the April 16, 2018 meeting was to refer this matter back to the Finance Committee for further consideration.

RECOMMENDATION/PROPOSED ACTION:

Consider the expanded information provided on ADM and the inclusion of a floor in the funding formula as a basis for the annual school funding agreement.

Amy Cannon, County Manager, reviewed the background information recorded above and stated she received a letter from Clyde Locklear, Cumberland County School Finance Director, requesting a county appropriation for FY19 of \$85,884,000 or an increase of \$5.3 million over the appropriation for the current year. Commissioner Keefe asked whether Mr. Locklear was operating independently with this request or whether the request was from the Board of Education. Ms. Cannon stated the letter did not indicate whether board action had been taken, but her thought was that the request was on behalf of the Board of Education.

Commissioner Adams posed questions regarding the annual current expense funding from the county to the school system. Ms. Cannon stated the hold harmless clause in the agreement led to the \$80,362,412 for FY17-18 and had there not been a hold harmless provision, funding would have been \$76,044,419. Commissioner Adams stated based on his understanding of the numbers, going from \$76,044,419 to \$85,884,000 would not be an increase of \$5.3 but almost a \$10 million increase over what the Board of Commissioners would budget. Commissioner Adams stated because budget season is underway, staff need direction and as a starting number for negotiations, he would propose going to \$79 million which would give the school system a \$3 million increase over the \$76 million. Commissioner Faircloth stated he concurred with the dollar amount \$79,463,109 but his objection is to expressing it as ADM. Commissioner Faircloth stated if that amount can be expressed as a percentage of the projected local property tax, and if a three-year agreement be done based on that percentage of the local property tax collections, he is in agreement. Commissioner Adams stated the question now is whether to go with ADM allocation. Commissioner Faircloth stated his vote is no. Questions and discussion followed.

Ms. Cannon stated for the current year because there was an adjustment for revaluation, there is not a true-up and as of June 30, 2018, the schools will receive \$80,362,412. Ms. Cannon stated for FY19, budget is refining the number and believe growth is minimal at 1.4%. Commissioner Faircloth asked what percentage \$79,463,109 was of the projected ad valorem tax. Additional questions and discussion continued.

Commissioner Keefe stated he felt the funding formula was very complicated and his affinity to ADM is not to be punitive; it used by the state, down to the counties, to the school boards and down to individual schools which appears to be the fairest and most equitable. Commissioner

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Keefe concurred with Commissioner Adams that pragmatically speaking, people need to be allowed to budget, and he can support the request for \$79,463,109 until further discussion.

Ms. Cannon stated in response to Commissioner Faircloth's earlier question about how the \$79,463,109 relates to next year's projected valuation, the percentage is 48.76% (based on real and personal values/excludes motor vehicle). Ms. Cardinali stated it was previously 46.03%. Commissioner Faircloth stated if there is support for a three-year agreement at 48.76% of the collections going to the school system, the matter is done and is very uncomplicated and will not be affected whether the ADM goes up or down. Commissioner Keefe stated he could not support that. Commissioner Adams stated he hears support for \$79,463,109 which gives the school system an increase over what they would have gotten under the old agreement without the hold harmless.

MOTION: Commissioner Adams moved for \$79,463,109.

SECOND: Commissioner Faircloth

DISCUSSION: Commissioner Adams stated this gives staff a number to plug in and when the budget sessions begin, a determination can be made about a percentage or ADM. Commissioner Keefe stated this is just a placeholder number and not a long-term agreement.

VOTE: UNANIMOUS (3-0)

3. CONSIDERATION OF SELECTION OF COUNSEL TO PURSUE OPIOID LITIGATION

BACKGROUND:

At its March 1, 2018, meeting the Finance Committee discussed that any local attorneys who wished to serve as local counsel with one of the national groups of firms that were representing counties in the opioid litigation should contact the national firms and work out the arrangements for being designated as local counsel. Only three local attorneys contacted the county attorney to express their interest in serving as local counsel. The county attorney provided each with the contact information for the McHugh Fuller Group and the Crueger Dickinson Group. The county attorney advised each of the national groups about this process and asked that they submit their final proposed contracts by March 27, 2018. A synopsis of the proposed contracts submitted by the two national groups 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 was provided. The local attorneys included in the North Carolina firms designated as local counsel are:

THE RICHARDSON FIRM, PLLC
4200 Morganton Road, Suite 150
Fayetteville, North Carolina

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LAW OFFICES OF ANTONIO F. GERALD, PLLC
137 Person Street, Suite 103
Fayetteville, North Carolina

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. They require the counties they represent to adopt a resolution declaring the opioid crisis a public nuisance which must be abated. The resolution this group has requested is attached. Note that neighboring counties are identified as counties in which the prescription rates are much higher than the state average. Cumberland's rate is lower than the state average.

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. The Fayetteville firm of Williford, Hollers, Crenshaw, Boliek & Frangakis has been designated as local counsel for Cumberland County. This group also intends to sue the manufacturers and distributors, but they are not pursuing a cause of action for abatement of a public nuisance. They have not asked for a declaration of public nuisance but have asked for a general resolution in support of the litigation which is attached. This group did tailor the resolution to fit the data for Cumberland County. This group's contract has a provision addressing any potential conflict of interest arising out of the group's representation of multiple N.C. counties and cities. Acceptance of the contract constitutes a waiver of any conflict of interest.

Both Groups:

The fee provisions for both groups are now basically the same. Each is a 25% contingency fee contract with the fee to be applied to the gross amount of any recovery with the costs of litigation to be reimbursed from the balance after deducting the attorneys' fees. Each caps all fees, costs and expenses at 35% of the gross amount of any recovery. Neither contract requires the county to expend any funds for attorneys' fees or costs except from monies received out of settlement with or a judgment against the defendants. Neither contract will provide defense for any counterclaims or claims for sanctions at no additional fee. 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 has experience with opioid and multi-district litigation and each is exceptionally qualified to pursue this litigation.

Other Options:

The Board does not have to choose either of these firms to pursue this litigation. At this time no other N.C. counties have filed suit with a firm other than one of these.

RECOMMENDATION/PROPOSED ACTION:

The county attorney recommends the Board select counsel to join the litigation and advises that the two groups of firms whose proposals are summarized above are as qualified as any firm that might be solicited with a RFP. If the Board is satisfied with either of these proposals, the Board should select one of these groups as counsel under the terms of the proposals as presented or subject to such further conditions as the Board deems appropriate.

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Rick Moorefield, County Attorney, reviewed the background information recorded above and the firms that the two national groups designated as local counsel. Mr. Moorefield reviewed the fee provisions for the two national groups and stated the fees will come out of gross proceeds with both capping it at 35% of the gross amount of recovery. Mr. Moorefield stated both contracts provide that there will be no money paid by the county out of public funds, and any fees or costs will only be provided by the defendant through a judgement or settlement. Mr. Moorefield stated a provision that has been taken out of the previous contracts is that neither contract will provide defense for any counterclaims or claims for sanctions at no additional fee. Mr. Moorefield stated under either of these contracts, the county could be liable for damages or attorney fees to the defendants if the defendants prevail on any motion for sanctions or a counterclaim. Mr. Moorefield stated he does feel there is a substantial risk of this in this case. Mr. Moorefield stated each of these groups has experience with opioid litigation and each is as exceptionally qualified to pursue this litigation as any firms that would arise from an RFP process.

Mr. Moorefield stated the difference in the two approaches is that the Crueger Dickinson Group waives any conflict of interest that may arise by their representation of other counties or municipalities and McHugh Fuller Group does not have that provision. Mr. Moorefield stated the primary cause of action of the McHugh Fuller Group is based on the public nuisance approach and they are using data in their resolution from surrounding counties or CDC data to beef of that approach. Mr. Moorefield stated the data that can be shown for Cumberland County puts it in the bottom third in North Carolina in terms of prescriptions and number of opioid pills prescribed and used.

Mr. Moorefield stated the Board does not have to choose either of these firms to pursue this litigation, but he is not aware of any other firms having been selected by other counties at this point. Mr. Moorefield stated other counties that conducted RFPs ended up selecting one of these two firms.

Commissioner Adams stated the firm of Williford, Hollers, Crenshaw, Boliek & Frangakis has been designated as local counsel by the Crueger Dickinson Group and they do not handle civil law in their firm, only criminal. Commissioner Adams stated this is major civil litigation and if a firm has not done civil litigation in federal court, that is a concern for him.

Commissioner Keefe stated no one will understand how opioids have affected Cumberland County more than the county attorney and if a firm is chosen, he would like the county attorney to be the representative in the civil action. Mr. Moorefield stated his recommendation all along has been the Crueger Dickinson Group because their approach is more in line with the county's data, and also his recommendation that they designate the county attorney as local counsel.

Commissioner Keefe asked Mr. Moorefield whether he believed he could negotiate fees. Mr. Moorefield stated not fees per se but he has spoken about reducing the charge to the county by the amount they were going to pay local counsel or a contribution to a county agency or group that would be involved. Mr. Moorefield stated because he did not know the committee's interest, those details have not been worked out. Commissioner Keefe asked Mr. Moorefield whether his

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continuing as the civil local attorney would be an option. Mr. Moorefield stated he believed it may be an option, but there has not been talk about that for a while.

MOTION: Commissioner Adams moved to go with the McHugh Fuller Group with the caveat that commissioners not sign the contract.

SECOND: Commissioner Faircloth

DISCUSSION: Commissioner Keefe stated the recommendation of the county attorney was for the law firm that had the most success and the motion goes against that. Commissioner Keefe asked whether the motion would take the county attorney out of the local representation. Commissioner Adams stated he did not feel the county attorney would ever be out of it and he did not hear that one group was any more successful than the other. Commissioner Adams stated what he heard was that both firms were successful but did it in different ways.

VOTE: PASSED (2-1) (Commissioners Adams and Faircloth voted in favor; Commissioner Keefe voted in opposition)

4. CONSIDERATION OF THE CHERRY BEKAERT AUDIT CONTRACT TO AUDIT ACCOUNTS FOR FY18

BACKGROUND

On April 18, 2016 the Board of Commissioners approved a three-year agreement for Cherry Bekaert to perform the annual audit for Cumberland County. At that time, Cherry Bekaert provided the County with several pricing options. For the audit of fiscal year 2017, Option two was utilized upon Board of Commissioners' approval on September 18, 2017. For fiscal year 2018 we are requesting approval to select Option one.

Option one includes Cherry Beakert having responsibility for writing the full report. For 2018 the cost for report writing is \$19,000. Option one also excludes the use of the County's Internal Auditor from duties related to the financial and single audit. For 2018 the cost to exclude the Internal Auditor is \$21,500.

The report writing function of the Comprehensive Annual Financial Report (CAFR) has historically been completed by Cherry Bekaert. Although report writing functionality exists in the current financial system, the Finance Office is not adequately staffed to implement this function. As was the case for the fiscal year 2017 audit, if Cherry Bekaert does not write the report, the County will be at risk of issuing an untimely CAFR.

Having an Internal Auditor work with Cherry Beakert on financial and single audit requirements was introduced with the fiscal year 2014 audit contract. Initially the savings to the County was \$20,000 annually. Since that time, additional stipulations and costs became required of the Internal Auditors for continuation of this practice. The cost to the County to continue this practice has exceeded the benefit of the dollar savings. In addition to the tangible cost, opportunity cost should also be considered. Internal audit staff time could alternatively be spent conducting additional

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audits on departments and would allow more time to work in conjunction with the Business Intelligence function of the Information Services Department.

All options and the related costs are shown in the table below:

Audit of Fiscal Year ending:	Option 1 Report writing Financial & single audit	Option 2 Report writing Financial & single audit Less: Use of Internal Auditor	Option 3 Report writing Financial & single audit Less: Use of Internal Auditor Less: All report writing performed by County	ALL Fee Reduction for 2016 contract extension
June 30, 2017	\$ 116,625	\$ 85,625	\$ 80,625	\$ (4,000)
June 30, 2018	\$ 119,650	\$ 98,150	\$ 82,650	\$ (3,000)
June 30, 2019	\$ 121,750	\$ 99,750	\$ 83,750	\$ (3,000)

The net cost for the fiscal year 2018 audit contract will be \$116,650.

RECOMMENDATION/PROPOSED ACTION

Management recommends the Finance Committee approve and forward to the Board of Commissioners the following action: Approve the Contract to Audit Accounts with Cherry Bekaert for fiscal year 2018 utilizing Option One which requires Cherry Bekaert to do the report writing, full completion of the financial and single audits, for a net cost of \$116,650.

Vicki Evans, Finance Director, reviewed the background information recorded above and stated at present, the plan is to release an RFP in the early fall of 2019 so the county is well within the timeframe to contract for the FY20 audit. Ms. Evans referenced the table recorded above and stated the amount of \$85,625 under Option 2 for FY ending June 30, 2017 should be corrected to the amount of \$95,625. Ms. Evans noted the correction does not change any of the other numbers in the table or other information provided.

Ms. Evans explained the report writing function includes converting the county’s financial transactions into the government wide and fund financial statements and completing the reconciliation between the statements. Ms. Evans stated this does not alleviate staff from any responsibility associated with the report.

MOTION: Commissioner Faircloth moved to accept staff recommendation and accept the total audit fee at a net cost of \$116,650.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

5. **CONSIDERATION OF PUBLIC UTILITIES’ WATER AND SEWER RATE STRUCTURES**

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A. CONSIDERATION OF AMENDMENT TO THE NORCRESS WATER AND SEWER DISTRICT RATE STRUCTURE

BACKGROUND:

A review of the operational costs of the NORCRESS sewer system, has revealed the present rate of collections for sewer service is not meeting the costs being incurred by the system for operations and maintenance. There have been increases by the sewer service provider, chemical provider and electrical providers. At the present rate we are not generating any revenue to set aside as a capital reserve fund to pay for replacement equipment or needed repairs.

The rates were last increased in 2013, in which the increase raised the rate on residential sewer service to \$6.50 per 1,000 gallons, commercial sewer service to \$7.00 per 1,000 gallons and flat rate services to \$31.42 per month.

The NORCRESS Advisory Board, consisting of Mayors from Wade, Falcon and Godwin, suggested the following proposed rate increases and changes at its April 12th meeting:

<u>Rate Description</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Residential Sewer Customers	\$6.50/thousand gallons	\$7.50/thousand gallons
Commercial Sewer Customers	\$7.00/thousand gallons	\$8.00/thousand gallons
Flat Rate Sewer Customers	\$31.42 per month	\$33.42 per month
Operation & Maintenance Fee Residential	\$2.00 per month	\$3.00 per month
Operation & Maintenance Fee Commercial	\$1.00/thousand gallons	\$2.00/thousand gallons
Administration Fee	\$1.58 - \$46.70 per month, depending on meter size	\$2.00 per month, no matter the meter size
Local Town Fee	\$1.75 – 7.50 per month, depending on meter size	\$1.75 per month, no matter the meter size

The average monthly usage throughout this system is 4,500 gallons per residential user, this equates to an average increase of \$5.92 per month to the individual customer for sewer service. The effective date of the rate increase will be July 2018, after customers have been provided a 30 day notice of the new rates.

Spreadsheets showing the monthly costs associated with the operation of the system, as well as, revenue requirements to meet these costs were provided.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director, the NORCRESS Advisory Board and County Management recommend that the Finance Committee approve the rate structure amendments for NORCRESS and place the item on the agendas of the May 21, 2018 Board of Commissioners and the NORCRESS Water and Sewer District meetings for approval.

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NORCRESS FY19 Rate Adjustment

Revenue	Current Rate	New Rate
Revenue Sewer Residential-FY17 Towns Metered - 12,745,319	\$ 82,844.58	\$ 95,589.90
Revenue Sewer Commercial-FY17 Towns Metered - 16,859,910	\$ 118,019.37	\$ 134,879.28
Flat Rate Users - \$31.42 x 6 users x 12 months	\$ 2,262.24	\$ 2,406.24
Lift Station Residential Maintenance Fee-FY17 Numbers	\$ 13,416.00	\$ 20,124.00
Lift Station Commercial Maintenance Fee-FY17 Numbers	\$ 22,761.12	\$ 45,522.24
Debt Service Fee-FY17 Numbers	\$ 82,397.33	\$ 82,397.33
Administration Fees-FY17 Numbers	\$ 13,117.70	\$ 14,904.00
Martins Meats Chemical Surcharge - FY17 Numbers	\$ 24,606.62	\$ 24,606.62
Total FY17 Revenue	\$ 359,424.96	\$ 420,429.61

Based on a residential rate of _____ per thousand gallons =	\$ 6.50	\$ 7.50
Based on a commercial rate of _____ per thousand gallons =	\$ 7.00	\$ 8.00
Based on a _____ Flat Rate User fee increase =	\$ 31.42	\$ 33.42
Based on a residential LS maintenance rate of _____ per customer =	\$ 2.00	\$ 3.00
Based on a commercial LS maintenance rate of _____ per thousand gallons	\$ 1.00	\$ 2.00
Based on a residential administration rate of _____ per customer =	\$ 1.58	\$ 2.00
FY-17 Towns Metered Usage of 29,605,229 gallons		
FY-17 PWC Metered Usage of 49,392,492 gallons		

Expenses		
522210-Supplies	\$ 500.00	\$ 500.00
533301-Contracted Services - Lexis Nexis	\$ 426.00	\$ 426.00
533406-M/R Other - PWC O&M	\$ 38,835.96	\$ 38,835.96
533410-M/R Contract - Chemicals	\$ 80,089.05	\$ 80,089.05
533520-Postage	\$ 170.42	\$ 170.42
533535-Utilities - Electric & Sewer Treatment Bills	\$ 223,398.48	\$ 223,398.48
533550-Printing	\$ 100.00	\$ 100.00
533587-License & Permits-DEQ Permit	\$ 810.00	\$ 810.00
533635-Collection Fees-Sheriff's Service Fee	\$ 30.00	\$ 30.00
533701-Court Costs-Small Claims Filing Fee	\$ 96.00	\$ 96.00
588201-Principal	\$ 22,000.00	\$ 22,000.00
588202-Interest	\$ 43,477.50	\$ 43,477.50
Total FY17 Expenses	\$ 409,433.41	\$ 409,433.41
Expected Profit (Loss)	\$ (50,008.45)	\$ 10,996.20

4,500 gallons at a rate of _____/1,000 gallons =	\$29.25	\$33.75
Debt Service, Admin. Fee, & O&M Fee =	\$13.23	\$14.65
Total Average Monthly Bill	\$42.48	\$48.40
Monthly Average Bill Difference with Rate Options:	0	\$5.92

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PROPOSED
(without markup)
NORCRESS Sanitary Sewer Rate Schedule

MONTHLY RATE

The monthly wastewater bill shall be the sum of the Availability Fee, Operation and Maintenance Fee, Administration Fee, Town Fee and Usage Charge.

RESIDENTIAL SANITARY SEWER RATE SCHEDULE

Availability Fee – All Customers (As referenced in the Cumberland County Water and Sewer Ordinance)	\$9.65 per customer
Operation and Maintenance Fee – All Customers	\$3.00 per customer
Administration Fee – All Customers	\$2.00 per customer
Town Fee – All Customers	\$1.75 per customer
Residential Sewer Usage Charge – Connected Customers (Usage Charges per 1,000 gallons = 1 MGAL)	\$7.50 per MGAL

COMMERCIAL SANITARY SEWER RATE SCHEDULE

Availability Fee – All Customers (As referenced in the Cumberland County Water and Sewer Ordinance)	\$1.00 per MGAL
Operation and Maintenance Fee – All Customers	\$2.00 per customer
Administration Fee – All Customers	\$2.00 per customer
Town Fee – All Customers	\$1.75 per customer
Commercial Sewer Usage Charge – Connected Customers (Usage Charges per 1,000 gallons = 1 MGAL)	8.00 per MGAL

ZERO USAGE COMMERCIAL SANITARY SEWER RATE SCHEDULE

Availability Fee – All Customers (As referenced in the Cumberland County Water and Sewer Ordinance)	\$9.65 per customer
Operation and Maintenance Fee – All Customers	\$3.00 per customer
Administration Fee – All Customers	\$2.00 per customer

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Town Fee – All Customers \$1.75 per customer

FLAT RATE SANITARY SEWER SERVICE

Availability Fee – All Customers \$9.65 per customer
 (As referenced in the Cumberland County Water and Sewer Ordinance)

Operation and Maintenance Fee – All Customers \$3.00 per customer

Town Fee – All Customers \$1.75 per customer

Flat Monthly Charge – Connected Customers
 \$33.42

OTHER FEES

Deposit \$100.00

Late Penalty \$10.00

Disconnect Fee \$25.00
 (Administrative charge to discontinue service for non-payment)

Reconnect Fee - Business hours \$25.00
 (Administrative charge to re-establish service after discontinuance for non-payment)

After-Hours Reconnect Fee \$75.00
 (Available until 9:00 pm)

*Returned Bank Item Fee \$25.00
 (Amount of bank item plus return fee - CASH, MONEY ORDER OR CERTIFIED CHECK ONLY)

Court Costs Actual

Elder Valve Actual plus 10%

Processing Fee per Collection Action \$30.00

Administrative Filing Fee per Collection Action \$100.00

CONNECTION FEES AND CHARGES

1. Standard Tap Fee:

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

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

2. Sewer Laterals:

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

3. Main Extension Charges:

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

4. Debt Charge:

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

Jeffery Brown, Engineering and Infrastructure Director, reviewed the background information recorded above and referenced the NORCRESS rate schedule as provided. In response to questions from Commissioner Adams, Mr. Brown explained the change to an administration fee and stated the NORCRESS Advisory Board voted in favor of the changes. Additional questions followed. Ms. Cannon stated the NORCRESS rate increase is needed so the county does not incur a loss but also, so funds can be set aside for future maintenance and equipment on the infrastructure side.

B. CONSIDERATION OF THE OVERHILLS PARK WATER AND SEWER DISTRICT RATE STRUCTURE

BACKGROUND:

Construction of the sanitary sewer system for the Overhills Park Water and Sewer District is almost complete. Currently the contractor is waiting on the arrival of three grinder pumps in order to install grinder pump systems for three (3) parcels that could not be served by gravity connections.

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Once the contractor completes the installation, the contractor will be working on punch list items to close out the contract.

With completion of the construction near, the Public Utilities Division needs a rate schedule approved in order to bill customers once the sewer system is ready to go online and prior to customers connecting to the system.

The Overhills Park Water and Sewer District Rate Schedule was provided. The Sewer Rate section of the schedule is based on repayment of the USDA loans, operation, maintenance and sewer treatment charges. The Other Fees section of the schedule is the same as rates charged in other County districts. The monthly bill for an Overhills customer connected to the system will be \$54.00 per month.

The rate schedule will be effective upon Board approval.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Finance Committee approve the rate structure for Overhills Park and place the item on the agendas of the May 21, 2018 Board of Commissioners and the Overhills Park Water and Sewer District meetings for approval.

OVERHILLS PARK WATER AND SEWER DISTRICT

SEWER RATE SCHEDULE

The monthly rate shall be the sum of the Availability Fee, Operation and Maintenance Fee, Administration Fee, and Flat Rate Sewer.

Availability Fee – All customers (As referenced in the Cumberland County Water and Sewer Ordinance)	\$17.00
Operation and Maintenance Fee – All customers	\$10.50
Administration Fee – All customers	\$ 2.00
Flat Rate Sanitary Sewer – Connected Customers (Based on 5,000 gallons or 5 mgal)	\$24.50

OTHER FEES

Deposit	\$100.00
Late Penalty	\$10.00
Processing Fee per Collection Action	\$30.00
Administrative Filing Fee per Collection Action	\$100.00

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Disconnect Fee (Administrative charge to discontinue service for non-payment)	\$25.00
Reconnect Fee- Business hours (Administrative charge to re-establish service after discontinuance for non-payment)	\$25.00
After-Hours Reconnect Fee (Available until 9:00 pm)	\$75.00
Court Costs	Actual
*Returned Bank Item Fee (Amount of bank item plus return fee - CASH, MONEY ORDER OR CERTIFIED CHECK ONLY)	\$25.00

CONNECTION FEES AND CHARGES

1. Sewer Laterals:

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

2. Main Extension Charges:

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

Mr. Brown reviewed the background information recorded above and the rate structure for Overhills Park Water and Sewer District. Mr. Brown stated the availability fee of \$17 goes to debt service, the \$10.50 operation and maintenance fee covers costs to the county and Town of Spring Lake, the \$2.00 administration fee is consistent with all water and sewer districts throughout the county, and a flat rate sanitary sewer fee of \$24.50 because the county cannot determine the consumption of water utilized. Mr. Brown stated the nonconnected monthly fee is \$29.50 and \$54.00 for connected customers.

MOTION: Commissioner Fairecloth moved to set the rate increase for NORCRESS as presented and the rate structure for Overhills Park Water and Sewer District.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

6. CONSIDERATION OF CONTRACT FOR SERVICES IN SUPPORT OF THE HOMELESS INITIATIVE PROGRAM AND ASSOCIATED BUDGET REVISION

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BACKGROUND

Cumberland County and the City of Fayetteville entered into an Interlocal Agreement to address homelessness in October 2017. In the agreement, both parties agreed on joint funding for homeless initiatives and the formation of a Homeless Committee to coordinate and develop strategies to address homelessness through community-wide programs and services. The Homeless Committee consists of the following individuals:

- Larry Lancaster, Cumberland County Commissioner Chair
- Larry Wright, Fayetteville City Council Member
- Duane Holder, Cumberland County Assistant County Manager (Co-Chair)
- Jay Reinstein, Fayetteville Assistant City Manager (Co-Chair)
- Sally Shutt, Cumberland County Assistant County Manager
- Cynthia Blot, Fayetteville Economic & Community Development Director
- Dee Taylor, Cumberland County Community Development Interim Director
- Catrina Valadez, Cumberland County Community Development Data Analyst
- Paul Taylor, Chair, Fayetteville/Cumberland County Continuum of Care on Homelessness

For FY 17-18, the County budgeted \$150,000 for the Homeless Initiative Program, which included \$100,000 in County funds and \$50,000 in City of Fayetteville funds. The City of Fayetteville has increased their contribution by an additional \$50,000 to bring their total amount to \$100,000. A budget revision is requested to recognize the additional \$50,000 contribution from the City of Fayetteville. No additional County funds are required.

The Homeless Committee released the Homeless Initiative Program Request for Proposals (RFP) on March 12, 2018 with an April 6, 2018 response deadline. The purpose of the program is to provide additional support in the community that will address the gaps in housing and supportive services for homeless persons and those persons at-risk of being homeless.

Four (4) agencies responded to the RFP. At the April 23rd Homeless Committee Meeting, the committee voted to recommend award of the contract for services to Endeavors, Inc. (formerly Family Endeavors). The multi-year contract will total \$200,000, beginning on June 1, 2018 and ending June 30, 2020. Periodic performance reviews will occur during the contract period to determine the continuation of funding. The Homeless Committee will monitor program performance and outcomes and make recommendations to the Commissioners and City Council based on results.

RECOMMENDATION/PROPOSED ACTION:

1. Approve Budget Ordinance Amendment #B181070 to recognize an increase of \$50,000 from the City of Fayetteville for the Homeless Initiative Program. Total Program funding will increase from \$150,000 to \$200,000. No additional County funds are required.
2. Approve a contract between Cumberland County and Endeavors, Inc. in the amount of \$200,000 for the provision of homeless services and supports, pursuant to the terms of the Homeless Initiative Program RFP. The contract term will be June 1, 2018 to June 30, 2020.

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SUBRECIPIENT AGREEMENT BETWEEN
COUNTY OF CUMBERLAND
COMMUNITY DEVELOPMENT DEPARTMENT
AND
ENDEAVORS
FOR
HOMELESS INITIATIVE PROGRAM

THIS AGREEMENT, entered into this 1st day of June 2018, by and between the County of Cumberland (hereinafter called the "County"), a body politic and corporate of the State of North Carolina and Endeavors, Inc. (hereinafter called the "Sub recipient"), with an office located at 535 Bandera Road, San Antonio, Texas 78228.

WHEREAS, the County of Cumberland and the City of Fayetteville entered into an interlocal agreement with the desire to fund programs and services to address homelessness; and

WHEREAS, the Sub recipient has received an award of \$200,000 in Homeless Initiative funds to assist in using such funds to provide housing stabilization assistance to homeless individuals and families; and

WHEREAS, the Subrecipient is a duly organized nonprofit and is an eligible Sub recipient of Homeless Initiative funds; and

NOW, THEREFORE, the parties agree that:

I. SCOPE OF SERVICES

A. ACTIVITIES/PRINCIPAL TASKS

The Sub recipient will provide services under the Homeless Initiative Program in a manner satisfactory to the County and consistent with any standards required as a condition of providing these funds. Such services will include the following activities eligible under the Homeless Initiative Program:

1. Program Delivery The Sub recipient will provide the following activities for individuals and families who are experiencing homelessness as a part of the Homeless Initiative Program:

Activity #1 Housing Stabilization – The Sub recipient will provide housing stabilization assistance to assist homeless individuals and families in obtaining and/or maintaining stable permanent housing through financial assistance and services.

2. General Administration. The following general administration activities are necessary to provide the activities described in Paragraph I.A.1 of this Agreement.

Activity #1 Payment of Expenses: The County will make all payments for eligible housing stabilization expenses related to the Homeless Initiative Program. The reimbursement of eligible

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expenses will be based on the receipt of the appropriate source documentation from the Sub recipient.

Activity #2 Collection of Documents for Payment: The Sub recipient will collect all necessary source documentation to substantiate all expenditures and enter the client data into the Homeless Management Information System prior to submission to the County for payment. The Sub recipient will submit all requests for payment with a cover memorandum and the following source documentation:

- o **Payroll Expenses:** All requests for payment of eligible payroll expenses will include a copy of a timesheet (in the format specified by the County) and a work progress report to correspond to the hours submitted for payment and copy of payroll ledger for proof of payment.
- o **Other Expenses:** All requests for payment of eligible housing stabilization expenses will include a copy of a dated invoice, a copy of receipt for the expenditure for proof of payment; copy of financial ledgers or copies of cancelled checks.

Activity #3 The Sub recipient will conduct generally accepted accounting procedures to ensure compliance and tracking of all funds received and disbursed by the Sub recipient.

B. PURPOSE AND ELIGIBLE ACTIVITIES

The Sub recipient certifies that the activities carried out with funds provided under this agreement will also comply with the purpose and eligible activities identified in the Homeless Initiative guidelines.

C. LEVELS OF ACCOMPLISHMENT

In addition to the normal administrative services required as part of this Agreement, the Sub recipient agrees to provide the following levels of program services as listed on Exhibit 1. Unless amended by mutual written agreement by the Sub recipient and the County, the Sub recipient will perform the described activities in conformance with the Goals and Objectives outlined in Exhibit 1.

D. STAFFING

The Sub recipient will assign staff as Key Personnel relative to its provision of services to the homeless.

E. PERFORMANCE MONITORING

The County will monitor the performance of the Sub recipient against goals and performance standards required herein. Substandard performance as determined by the County will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within thirty (30) days after being notified by the County, contract suspension procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Sub recipient will begin on the 1st day of June, 2018, and end on the 30th day of June, 2020.

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III. BUDGET: FUNDING SOURCE – HOMELESS INITIATIVE

The program budget is in accordance with the Homeless Initiative Agreement and the funds shall be allocated to the following eligible activities – housing stabilization for a total of Homeless Initiative funding not to exceed \$200,000. Amendments to the budget must be approved in writing.

IV. METHOD OF COMPENSATION/PAYMENT SCHEDULE

The parties agree that the total amount of Homeless Initiative funds to be paid by the County to the Sub recipient under this contract will not exceed \$200,000. All payments will be made on a reimbursement basis consistent with Paragraph I.A.2 of this Agreement.

V. NOTICES

Communication and details concerning this contract will be directed to the following contract representatives:

COUNTY
Delores Taylor, Interim Director
Cumberland County Community Development
P. O. Box 1829, 707 Executive Place
Fayetteville, NC 28302
(910) 323-6112
FAX #: (910) 323-6114

SUBRECIPIENT
Travis Pearson, MABC, LPC
President & Chief Executive Director Endeavors, Inc.
535 Bandera Road
San Antonio, TX 78228
(201) 431-6466
FAX #: (210) 431-6442

VI. SPECIAL CONDITIONS:

- A. Submission of Pay Requests - The Sub recipient will submit payment requests to the County at least once per month. The Sub recipient will submit a request for payment evidencing said expenses with adequate supporting documentation as required by the County.
- B. Continuum of Care Participation - The Sub recipient is responsible for participating in the local Continuum of Care to ensure adequate representation in the local continuum of care network.
- C. Annual Audit - The Sub recipient will conduct an annual audit of the program and provide a copy to the County for each year of the contract period.

VII. GENERAL CONDITIONS

A. GENERAL COMPLIANCE

The Sub recipient will carry out each activity required by this Agreement. The Subrecipient further agrees to use funds available under this Agreement to supplement rather than to supplant funds otherwise available.

B. INDEPENDENT CONTRACTOR

Nothing contained in this Agreement is intended or will be construed to create or establish the relationship of employer/employee between the parties. The Sub recipient will at all times remain an "Independent Contractor" with respect to the services to be performed under this Agreement. The County will be exempt from payment of all Unemployment Compensation, FICA, retirement,

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life and/or medical insurance and Workers' Compensation Insurance as the Subrecipient is an independent contractor.

C. HOLD HARMLESS

The Sub recipient will hold harmless, defend and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. WORKERS' COMPENSATION

The Sub recipient will provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. INSURANCE AND BONDING

The Sub recipient will carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the County, if applicable. The Sub recipient will also list the County as an additional insured. The Sub recipient will cause the insurer to provide the County with certification of insurance. Insurer will also provide the County notice of cancellation at least fifteen (15) days prior to cancellation. The Sub recipient will comply with the bonding and insurance requirements in 24 CFR Part 84, Bonding and Insurance.

F. DEBARRED / SUSPENDED

The Sub recipient must not make any award or permit any award (sub grant or contract) at any tier to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424. The requirement set forth in 24 CFR Part 5 apply to this program.

G. GRANTOR RECOGNITION

The Sub recipient will ensure recognition of the role of the grantor agency in providing services through this contract. All activities, facilities and items used pursuant to this contract will be prominently labeled to indicate the County Homeless Initiative Program as a funding source. In addition, the Sub recipient will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

H. AMENDMENTS

The County or Sub recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations. Such amendments will not invalidate this Agreement, nor relieve or release the County or Sub recipient from its obligations under this Agreement. The County may, at its discretion, amend this Agreement to conform with Federal, State or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the Scope of Services, or schedule of activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both County and Sub recipient.

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I. SUSPENSION OR TERMINATION

Either party may terminate this contract by giving written notice to the other party of such termination at least thirty (30) days before the effective date of such termination and specifying the effective date thereof. Partial terminations of the Scope of Service in Paragraph I.A. above may only be undertaken with the prior approval of the County. If this Agreement is terminated for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Sub recipient under this Agreement shall, at the option of the County, become the property of the Grantee, and the Sub recipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination. The County may also suspend or terminate this Agreement, in whole or in part, if the Sub recipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the County may declare the Sub recipient ineligible for any further participation in the County's contracts, as stated in the Monitoring Policy of the County, in addition to other remedies as provided by law. If there is probable cause to believe the Sub recipient is in noncompliance with any applicable rules or regulations, the County may withhold all or any portion of said contract funds until such time as the Sub recipient is found to be in compliance by the County, or is otherwise adjudicated to be in compliance.

VIII. ADMINISTRATIVE REQUIREMENTS

A. DOCUMENTATION AND RECORD-KEEPING

1. Records to be Maintained

The Sub recipient will establish and maintain sufficient records to complete the required reports for client level data in HMIS and other reports as supplied by the State through the U.S. Department of Housing and Urban Development. The Sub recipient will submit program data sufficient to complete the annual report to the County within 30 days after the end of each program year, as determined by the County. The Sub recipient will also maintain all records that are pertinent to the activities to be funded under this Agreement. Such records will include, but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets the purpose and eligible activities of the Homeless Initiative Program;
- c. Records required to determine the eligibility of activities;
- d. Records documenting compliance with the Fair Housing and Equal Opportunity; and
- e. Financial records as required in 24 CFR Part 84;

2. Retention

The Sub recipient will retain all records pertinent to expenditures incurred under this contract for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this contract will be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claim(s), audit(s), negotiation(s) or other actions that involve any of the records cited and that have started before the expiration of the five (5) periods, then such records must be retained until completion of the actions and resolution of all issues.

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3. Client Data

The Sub recipient will maintain client data demonstrating client eligibility for services provided by completing verification of eligibility for each potential client; accurate and timely reporting of data in the HMIS system. Such data will include, but not be limited to, client name, address, income level, or other basis for determining eligibility, and description or service provided. Such information will be made available to County's monitors or its designees for review upon request.

4. Disclosure

Client information collected under this contract is confidential and the use or disclosure of such information, when not directly connected with the administration of the County's or Sub recipient's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such persons receiving service and, in the case of a minor, from a responsible parent/guardian.

5. Close-Outs

The Sub recipient's obligation to the County will not end until all close-out requirements are completed. Activities during this close-out period will include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balance, and accounts receivable to the County), and determining the custodianship of records.

6. Audits and Inspections

The Sub recipient agrees to have an annual agency audit conducted in accordance with OMB Circular A-133. If the Subrecipient does not meet the threshold requirements for an annual audit in accordance with OMB Circular A-133 standards, the Sub recipient will have an annual audit conducted by an independent certified public accountant in accordance with generally accepted government auditing standards (GAGAS). All Sub recipient records with respect to any matters covered by this Agreement will be made available to the County, grantor agency, its designees or the Federal Government, at any time during normal business hours, as often as the County or grantor agency deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. The County will send written notice of any deficiencies to the Sub recipient within fifteen (15) days following audit/monitoring. Any deficiencies noted in monitoring reports must be fully cleared by the Sub recipient within thirty (30) days after receipt by the Sub recipient. Failure of the Sub recipient to comply with the above monitoring requirements will constitute a violation of this contract and may result in the withholding of future payments.

B. REPORTING AND PAYMENT PROCEDURES

1. Indirect Costs

If indirect costs are charged, the Sub recipient will develop an indirect cost allocation plan for determining the appropriate Sub recipient's share of administrative costs and will submit such plan to the County for approval, in a form specified by the County.

2. Payment Procedures

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The County will pay to the Sub recipient funds available under this contract based upon information submitted by the Sub recipient and consistent with any approved budget and County policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Sub recipient, and not to exceed actual cash requirements. Payments will be adjusted by the County in accordance with advance fund and program income balances available in Sub recipient accounts. In addition, the County reserves the right to allocate funds available under this contract for costs incurred by the County on behalf of the Sub recipient.

3. Progress Reports

The Sub recipient will submit regular Progress Reports to the County in the form, content, and frequency as required by the County. If the Sub recipient is more than 30 days delinquent in submitting its progress reports, the County will discontinue processing all requests for payment until such time as the delinquent reports are received.

IX. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of this Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

X. NON-APPROPRIATION CLAUSE

If appropriations of money to conduct and administer the presently scheduled program are lawfully reduced or terminated, or it is deemed in the public interest and necessity for the health, safety, or welfare of the public to so reduce or terminate this scheduled program, the County, at its option, has the right to terminate this Agreement effective upon the end of the fiscal year. The County will give the Sub recipient written notice of termination under the provisions of this paragraph immediately upon receipt of actual notice by the County of a reduction or termination of appropriations of money for the scheduled program, or any other necessity to reduce or terminate the program. Following the effective date of such termination the County will have no further obligation to make any payments; the County will have no right to recover any payments heretofore paid which were due and payable prior to the effective date of such termination.

XI. IRAN DIVESTMENT ACT CERTIFICATION

Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.55-69. Contractor shall not utilize any subcontractor that is identified on the List.

XII. E-VERIFY

Contractor shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if Contractor utilizes a subcontractor, Contractor shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

EXHIBIT 1 Homeless Initiative Program PROGRAM OBJECTIVES

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The projections listed below shall be updated at the end of each program year during the term of this agreement. The Sub recipient shall be responsible for providing the updated projections to the County.

GOALS AND OBJECTIVES

- To provide housing stabilization services to homeless families and individuals
- To serve at least 15 single adult individuals and 20 families (with children) during the term of the contract

Duane Holder, Assistant County Manager, introduced Catrina Valadez, Community Development Data Analyst, and stated the contract being considered is for services to support the homeless population that often fall through the gaps as it relates to the HUD definition of homelessness. Mr. Holder highlighted the background information recorded above and the budget ordinance amendment to recognize the additional \$50,000 contribution from the City of Fayetteville to match the county's \$50,000.

Commissioner Faircloth asked what the contract would do. Mr. Holder responded the contract will work to help those people who are homeless or at eminent risk of becoming homeless to secure stable housing. Mr. Holder stated eligible costs would be rental application fees, security deposits for utilities, moving costs, rent, transportation, rent in arrears for a certain number of months, furniture for startup in apartments or a combination thereof. Mr. Holder stated another purpose of this funding is to prevent those who might slip into the chronic or literal homeless category for which there is no other funding source. In response to a question from Commissioner Adams, Mr. Holder stated this is funding is used as a last resort for those who do not qualify for any other funding.

Commissioner Keefe asked how success will be measured and what the incentive is for Endeavors, Inc. to get people off homelessness if they continue to receive \$200,000 a year. Mr. Holder stated this is one-time funding and the case management component is intended to address issues that caused the homelessness and connect individuals and families to other services and benefits for which they are eligible. In response to another question from Commissioner Keefe, Mr. Holder stated the hope is to impact the literal homeless because there are many different definitions of homelessness.

Commissioner Adams asked how much goes to staffing. Mr. Holder stated 10% of the funding is allocated for case management, 5% for administration with a maximum of \$30,000 to be used for staffing. Additional questions followed.

MOTION: Commissioner Faircloth moved to approve a contract between Cumberland County and Endeavors, Inc. in the amount of \$200,000 for the provision of homeless services and supports, and approve Budget Ordinance Amendment #B181070 to recognize an increase of \$50,000 from the City of Fayetteville for the Homeless Initiative Program.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

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7. MONTHLY UPDATES

BACKGROUND:

Each month staff provides a monthly update on health insurance, CDBGDR and the financial report. These items are included in the agenda packet for the Committee’s information.

RECOMMENDATION/PROPOSED ACTION:

No action needed; however, staff is prepared to answer any questions a committee member may have regarding the information provided.

A. HEALTH INSURANCE

BACKGROUND:

Claims for the March 2018 are down 33% from March 2017 (month to month). To provide some perspective on the claims, below is the 9-month average for the past 5 fiscal years. This average represents the average claims for July – March of each fiscal year.

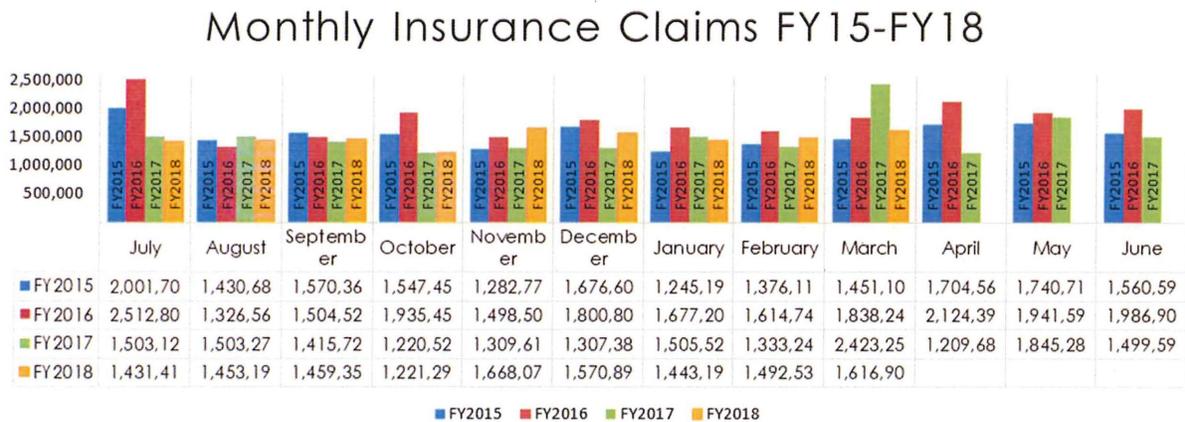
Average claims per fiscal year for July – March:

- FY13 \$1,247,123
- FY14 \$1,227,005
- FY15 \$1,509,112
- FY16 \$1,745,427
- FY17 \$1,502,409
- FY18 \$1,484,097

The graphs recorded below are provided as an aid to the analysis.

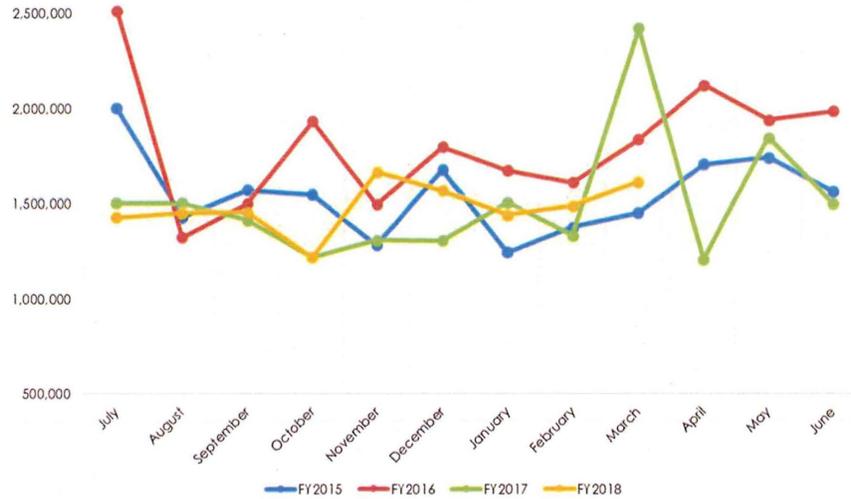
RECOMMENDATION/PROPOSED ACTION:

No action needed – for information only.



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Monthly Insurance Claims FY15 - FY18



B. CDBG-DR

BACKGROUND

The Community Development Block Grant – Disaster Recovery (CDBG-DR) program has been passed down from the federal government to the state government and is being administered locally by Cumberland County as the lead entity with a separate agreement in place with the State of North Carolina and the City of Fayetteville. This monthly report shows progress and activities occurring within the program.

RECOMMENDATION/PROPOSED ACTION:

No action is required. This is for information only.

CUMBERLAND COUNTY CDBG-DR PROGRAM UPDATE FOR THE MAY 3, 2018 FINANCE COMMITTEE MEETING

Status as of April 23, 2018:

Total Applications	Application Intake (Step 1)	State Eligibility Check (Step 2)	State Duplication of Benefits Check (Step 3)	Does Not Meet Eligibility Requirement
223	127	36	51	9
Inspection & Environmental Review (Step 4)	Grant Determination (Step 5)	Contractor Selection (Step 6)	Construction (Step 7)	Completion (Step 8)

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17	0	0	0	0

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

Milestones/Activities:

- Request for Project Management Proposal – due May 18, 2018
- Ongoing– County will process applications, incomplete applications and submit for review; State will determine eligibility; County and City will initiate inspections and environmental review processes;
- County CD Rehab staff will initiate environmental review and site inspection on 12 properties that are in the Step 3 DOB status the week of April 23;
- City CD staff will initiate environmental review and site inspections the week of April 23 on 5-6 properties identified by State for expediting reimbursement processing by May 1.

Current Staffing:

- State: No further on-site staffing; (1) County Liaison from NC Dept of Public Safety
- Cumberland County:
 - Sylvia McLean, P.T. Community Development (CD) Consultant; Terrinique Washington, Admin Support Specialist;
 - Temporary Staff: Interviews completed – Admin Housing Coordinator II; *Hiring within few weeks once HR complete their process-projected April 30*
 - *Interviewing Finance position soon – Admin. Program Officer II*
- City of Fayetteville: On-site staffing as needed to fill-in; Jay Reinstein and Cindy Blot are City representatives/contacts

Hours of Operation:

- Monday – Friday, 9 a.m. to 4 p.m.

C. FINANCIAL REPORTS

BACKGROUND

The financial report is included which shows the fiscal year 2018 March 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.

RECOMMENDATION/PROPOSED ACTION

No action needed – for discussion and information purposes only.

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REVENUES	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	AS OF March 31, 2018	BUDGET TO DATE
Ad Valorem Taxes					
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 160,607,522	100.2% (1)
Prior Years	1,046,732	1,121,000	1,121,000	918,456	81.9%
Motor Vehicles	17,683,864	18,070,242	18,070,242	11,780,333	65.2% (2)
Penalties and Interest	650,368	667,602	667,602	537,962	80.6%
Other	1,018,563	930,279	930,279	701,090	75.4%
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	174,545,363	96.4%
Other Taxes					
Sales	41,517,943	41,760,036	41,760,036	21,031,567	50.4% (3)
Real Estate Transfer	1,091,362	700,000	700,000	747,378	106.8%
Other	1,114,408	1,111,500	1,111,500	493,392	44.4%
Total Other Taxes	43,723,713	43,571,536	43,571,536	22,272,337	51.1%
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	70,809,215	35,186,835	49.7% (4)
Charges for Services	13,832,010	12,056,608	12,078,308	8,114,800	67.2%
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,045,838	6,015,397	85.4% (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	3,813,452	102.7% (7)
Total Other	12,660,158	10,703,527	38,305,769	37,374,141	97.6%
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 345,866,113	\$ 277,493,476	80.2%
Fund Balance Appropriation		8,889,652	9,463,925	-	0.0% (8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 355,330,038	\$ 277,493,476	78.1%

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DEPARTMENTS	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	EXPENDITURES AS OF March 31, 2018	BUDGET TO DATE **
Governing Body	\$ 591,731	\$ 617,587	\$ 617,587	\$ 432,522	70.0%
Administration	2,515,558	1,501,201	1,501,201	996,500	66.4%
Public Affairs/Education	76,879	497,199	497,199	349,557	70.3%
Human Resources	30,245	828,896	828,896	592,133	71.4%
Print, Mail, and Design	754,908	875,345	861,871	548,967	63.7%
Court Facilities	55,786	129,370	168,010	94,890	56.5%
Facilities Maintenance	1,936,136	2,009,030	2,493,508	1,083,991	43.5%
Landscaping & Grounds	606,364	607,577	612,237	410,998	67.1%
Carpentry	231,715	234,884	234,884	132,068	56.2%
Facilities Management	1,238,266	1,267,781	1,273,221	882,231	69.3%
Public Buildings Janitorial	721,041	710,946	710,946	508,218	71.5%
Central Maintenance	798,075	672,386	672,386	440,131	65.5%
Information Services	3,388,444	3,958,479	4,173,447	2,460,280	59.0%
Board of Elections	1,180,015	2,237,762	2,237,762	687,467	30.7% (1)
Finance	1,205,572	1,201,225	1,201,225	821,228	68.4%
Legal	668,776	813,554	813,554	502,222	61.7%
Register of Deeds	2,092,298	2,321,099	2,761,865	1,361,868	49.3%
Tax	5,567,709	5,589,154	5,620,154	3,504,404	62.4%
Debt Service	23,400,669	21,464,283	21,466,328	15,483,557	72.1% (2)
General Government Other	3,828,293	4,237,882	4,590,290	2,134,639	46.5%
Sheriff	47,212,707	50,250,550	50,518,813	33,439,598	66.2%
Emergency Services	3,064,405	3,320,934	3,395,291	2,130,446	62.7%
Criminal Justice Pretrial	434,987	426,673	426,673	317,974	74.5%
Youth Diversion	325	25,000	25,000	978	3.9% (3)
Animal Control	2,932,986	2,922,717	2,947,717	2,060,850	69.9%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,007,220	1,075,666	1,075,666	766,640	71.3%
Heath	22,269,462	22,506,054	23,541,742	15,008,103	63.8%
Mental Health	3,148,761	5,452,507	3,281,366	2,934,881	89.4%
Social Services	71,524,059	66,425,182	67,141,445	42,133,875	62.8%
Veteran Services	371,189	385,725	385,725	273,142	70.8%
Child Support	4,893,727	5,044,200	5,044,200	3,276,429	65.0%
Spring Lake Resource Administration	31,524	34,332	34,332	18,487	53.8%
Library	11,105,397	10,530,428	10,778,472	7,241,742	67.2%
Stadium Maintenance	110,288	117,296	117,296	53,696	45.8%
Culture Recreation Other (Some of the Community Funding)	312,816	268,069	268,069	244,735	91.3%
Planning	3,077,126	3,446,758	3,455,653	2,028,527	58.7%
Engineering	439,678	510,090	2,437,872	685,855	28.1% (4)
Cooperative Extension	570,083	705,596	705,596	368,822	52.3%
Location Services	357,095	447,221	447,221	226,561	50.7%
Soil Conservation	141,234	136,400	357,543	97,527	27.3%
Public Utilities	87,442	110,270	124,474	66,279	53.2%
Economic Physical Development Other	20,000	20,000	20,000	20,000	100.0% (5)
Industrial Park	3,296	23,148	23,148	742	3.2% (6)
Economic Incentive	420,423	548,418	710,918	100,315	14.1% (7)
Water and Sewer	-	250,000	379,330	-	0.0% (8)
Education	91,394,940	93,341,404	93,341,404	68,847,768	73.8%
Other Uses:					
Transfers Out	2,264,613	3,522,583	3,465,252	167,898	4.8% (9)
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,531,480	100.0% (10)
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 355,330,038	\$ 243,471,224	68.5%

Expenditures by Category	FY16-17	FY17-18	FY17-18	EXPENDITURES AS OF	PERCENT OF
	UNAUDITED	ADOPTED BUDGET	REVISED BUDGET	March 31, 2018	BUDGET TO DATE
Personnel Expenditures	\$ 131,620,131	\$ 136,744,346	\$ 135,123,252	\$ 87,593,678	64.8%
Operating Expenditures	158,133,695	157,914,300	163,101,793	110,343,359	67.7%
Capital Outlay	2,118,869	3,460,456	4,113,271	1,918,157	46.6% (11)
Debt Service	23,946,955	21,981,176	21,983,221	15,916,652	72.4%
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,531,480	100.0%
Transfers To Other Funds	2,264,613	3,522,583	3,465,252	167,898	4.8%
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 355,330,038	\$ 243,471,224	68.5%

DRAFT

May 3, 2018 Regular Meeting

Fiscal Year 2018 - March Year-to-Date Actuals

Additional Detail

General Fund Revenues

*

- (1) **Current Year Ad Valorem** - Actuals are at 100.2% of budget as of 3/31/18; 97.56% of the levied tax as of 3/31/18.
- (2) **Motor Vehicles** 65.2% - YTD Actual reflects 8 months of collections. Actuals are just slightly below budget for this reporting period.
- (3) **Sales Tax** 50.4% - YTD Actual reflects 6 months of collections. Actuals are just slightly above budget for this reporting period.
- (4) **Unrestricted/Restricted Intergovernmental Revenues** 49.7% - lag in revenue is typically one month.
- (5) **Other Sources** (includes Transfers In) 85.4% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer in to 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** 102.7% - paid in full.
- (8) **Fund Balance Appropriation** 0% - Direct entries are not made to fund balance throughout the fiscal year.

General Fund Expenditures

**

- (1) **Board of Elections** 30.7% - capital purchase budgeted for \$809,045 has not yet been purchased.
- (2) **Debt Service** 72.1% - large debt payment was made in December
- (3) **Youth Diversion** 3.19 - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
- (4) **Engineering** 28.1% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred. A budget revision was done in December to move this grant over to Engineering since they will be completing the projects.
- (5) **Economic Physical Development** 100% - NC Southeast contribution has been paid in full.
- (6) **Industrial Park** 3.2% - maintenance at Cedar Creek Industrial Park has not yet been completed.
- (7) **Economic Incentive** 14.1% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
- (8) **Water and Sewer** 0% - Funds budgeted for Overhills W&S have not yet been expended.
- (9) **Transfers Out** 4.8% - transfers out typically occur near year-end.
- (10) **Refunding of 2009A and 2011B LOBS** 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
- (11) **Capital Outlay** 46.6% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.

The monthly reports recorded above were received as information. No discussion or questions followed.

8. OTHER ITEMS OF BUSINESS

There were no other items of business.

There being no further business, the meeting adjourned at 10:05 a.m.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 9.
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 JUNE 7, 2018 MEETING OF THE FINANCE COMMITTEE

TO: FINANCE COMMITTEE

FROM: NEDRA CLAYBORNE RODRIGUEZ, DIRECTOR

THRU: AMY CANNON, COUNTY MANAGER

DATE: MAY 15, 2018

SUBJECT: CONSIDERATION OF WORKFORCE DEVELOPMENT
BOARD RECOMMENDATION TO AWARD THE
WORKFORCE INNOVATION OPPORTUNITIES ACT (WIOA)
TITLE I PROGRAM SERVICES CONTRACT TO
EDUCATION DATA SYSTEMS, INC. (EDSI)

Requested by: AMY CANNON, COUNTY MANAGER

Presenter(s): NEDRA CLAYBORNE RODRIGUEZ, DIRECTOR

Estimate of Committee Time Needed: 10 Minutes

BACKGROUND

Cumberland County receives annual funding from the state to provide workforce development services through the Workforce Innovation & Opportunity Act (WIOA). These important services are focused on the following groups: local employers, the unemployed, underemployed adults, veterans, dislocated workers, In-School Youth (age 14-21) and Out-of-School Youth (age 16-24). These services are currently contracted to ResCare Workforce Services with a contract period ending June 30, 2018. Estimated allocations for FY19 are anticipated to be as follows for these specific program areas in Cumberland County:

- 1) \$800,000 for adult services programs
- 2) \$550,000 for dislocated worker programs

3) \$800,000 for youth services programs

These not-to-exceed amounts may be subject to change as it is based upon a prior estimate of available funds. It is anticipated that the exact funding amount will be known at or about the time of the final contract negotiations. All contracts for services will be on a cost-reimbursement basis, based upon performance, and may be extended for two additional years at the discretion of the County.

The Cumberland County Workforce Development Board (WDB) selected and approved an ad hoc review team consisting of WDB members (Rodney Anderson, Charlene Cross, Isabella Effon, Pam Gibson, and Joy Miller) at the November 8, 2017 meeting. The RFP for WIOA Title I Program Services was released on March 26, 2018 and due by 4 pm on April 23, 2018. Proposals were received from Eckerd Concepts, EDSI, H4 Enterprises, ResCare Workforce Services, and Two Hawk Workforce Services. Proposals were evaluated by the ad hoc committee of Workforce Development Board members utilizing evaluation criteria as follows: customer flow, staffing, statement of work, and program design (40 points); organizational experience, past performance, and references (25 points); transition and staff training plan (10 points); program cost/budget proposal (15 points); and program metrics (10 points). Bidders made oral presentations (10 points) to supplement and explain their proposals on May 1 and 3, 2018. The recommendation below, which was based on the consensus of the review committee, was approved by the Workforce Development Board on May 15, 2018.

RECOMMENDATION/PROPOSED ACTION:

The Workforce Development Board recommends approval of EDSI as the successful proposer to provide WIOA Title I Youth, Adult, and Dislocated Worker program services for the Cumberland County NCWorks Career Center and to authorize the County Manager to execute the negotiated contracts.

★ CUMBERLAND COUNTY ★
WORKFORCE DEVELOPMENT BOARD

TO: Cumberland County Workforce Development Board
FROM: Rodney Anderson, Vice Chair
THROUGH: RFP Review Team
DATE: May 15, 2018
SUBJECT: Recommendation for Contract Award for WIOA Title I Program Services

In reference to the Request for Proposals (RFP) 18-01-WFD for WIOA Title I Program Services for PY18/FY19, proposals were evaluated by an ad hoc committee of Board members led by the Vice Chair of the WDB, Rodney Anderson.

EVALUATION COMMITTEE MEMBERS

Rodney Anderson <i>RA</i>	Workforce Development Board Member
Charlene Cross <i>CC</i>	Workforce Development Board Member
Isabella Effen <i>IE</i>	Workforce Development Board Member
Pam Gibson <i>PG</i>	Workforce Development Board Member
Joy Miller <i>JM</i>	Workforce Development Board Member

EVALUATION CRITERIA (Per page 12 of RFP)

- | | |
|---|-----------------|
| 1. Customer Flow, Staffing, Statement of Work, and Program Design | 40 points (36%) |
| 2. Organizational Experience, Past Performance, and References | 25 points (23%) |
| 3. Transition and Staff Training Plan | 10 points (9%) |
| 4. Program Cost/Budget Proposal | 15 points (14%) |
| 5. Program Metrics | 10 points (9%) |

Presentations were conducted on May 1 and 3, 2018, at which point final consensus was achieved.

- | | |
|-----------------|----------------|
| 6. Presentation | 10 points (9%) |
|-----------------|----------------|

RECOMMENDATION/PROPOSED ACTION:

The bid submitted by EDSI is in compliance with bid requirements, received the highest combined score among committee members, and has our recommendation for award.

Action taken at the May 15, 2018 Workforce Development Board meeting (circle one):

Approved

Disapproved

Signature/Date: _____

Dian Simcox
Dian Simcox, Chair of the Workforce Development Board
Diana

Celebrating Our Past... Embracing Our Future

EASTOVER • FALCON • FAYETTEVILLE • GODWIN • HOPE MILLS • LINDEN • SPRING LAKE • STEDMAN • WADE

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities

The recommendation will be presented for approval consideration to the Cumberland County Board of Commissioners at the June 18, 2018 meeting. The estimated total award is subject to variation due to funding availability and will be negotiated prior to the contract(s) start date of July 1, 2018. The final contract will contain a negotiated Statement of Work specifying performance expectations.

CUMBERLAND COUNTY WORKFORCE DEVELOPMENT BOARD								
RFP 18-01-WFD WIOA Title I Program Services PY2018/FY2019 - Evaluation Sheet								
		EVALUATION CRITERIA						
Vendor Name		Customer Flow, Staffing, Statement of Work, and Program Design	Organizational Experience, Past Performance, and References	Transition and Staff Training Plan	Program Cost/Budget Proposal	Program Metrics	Presentation	Total Points
		200 Points Max	125 Points Max	50 Points Max	75 Points Max	50 Points Max	50 Points Max	550 Points Max
1	Eckerd Connects	157	95	44	51	39	42	428
2	EDSI	162	108	41	50	39	41	441
3	H4 Enterprises	35	5	2	4	2	29	77
4	ResCare Workforce Services	124	78	33	44	33	37	349
5	Two Hawk Workforce Services	122	73	22	46	29	30	322

CONTRACT FOR SERVICES FOR
ADULT, DISLOCATED WORKER, AND YOUTH PROGRAM SERVICES
UNDER TITLE I OF
THE WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

THIS CONTRACT AGREEMENT is entered into by and between County of Cumberland (County), a body politic and political subdivision of the State of North Carolina established and operating pursuant to the laws of the State of North Carolina (hereinafter referred to as "COUNTY") and Educational Data Systems, Inc. (hereinafter referred to as "EDSI").

WITNESSETH THAT:

WHEREAS, the County desires to engage EDSI to render services in connection with activities to be operated and funded under Title I of the Workforce Innovation and Opportunity Act Public Law No: 113-128 (herein after referred to as the "Act" or "WIOA"), WIOA DOL ETA 20 CFR, Part 651, 652, 653, 654, 658, 675, 676, 677, 678, 679, 680, 681, 683, and 686; and DOE Office of Career, Technical and Adult Education, Rehabilitation Services Administration 34 CFR Parts 361 and 463; Jobs for Veterans Act Public Law 107-288 at 38 USC § 4215; and

WHEREAS, WIOA funds are anticipated to be made available to the County and the Cumberland County Workforce Development Board from the Division of Workforce Solutions of the North Carolina Department of Commerce (hereinafter referred to as the "State") contingent upon receipt of funds from the United States Department of Labor (herein after referred to as "USDOL") and/or the State; and

WHEREAS, EDSI desires to render services under the Act,

NOW THEREFORE, the parties hereto agree as follows:

1. Employment of EDSI
 - a. The County hereby engages EDSI and EDSI hereby agrees to perform the services hereinafter set forth in accordance with the terms and conditions contained herein.
2. Scope of Services
 - a. EDSI shall diligently perform and carry out in a satisfactory and proper manner the work and services described in Attachment A, "Statement of Work".
3. Time of Performance
 - a. The services of EDSI shall commence on July 1, 2018 and EDSI shall provide such services in such manner and sequence as to ensure their expeditious completion and as may be required in Attachment A, Statement of Work. All services required hereunder shall be completed on or before the end of the contract period: June 30, 2019. For the purposes of the statute of limitation, and in recognition of the fact that closeout procedures, audit, audit resolution, and collection of disallowed costs will occur after the contract period, this contract shall not be considered completed until final action on any disallowed costs by USDOL has been taken and the time for appeal of disallowed costs has expired.

4. Compensation and Method of Payment

- a. In the case of activities covered by cost reimbursement provisions, EDSI shall be compensated for the work and services to be performed under this contract by monthly reimbursements based on allowable expenditures actually made, unless otherwise specifically agreed to the contrary. For any activities covered by fixed unit price/performance-based provisions, EDSI shall be compensated based upon the timely delivery of services included in Attachment A, Statement of Work. In no event, however, will the total compensation and reimbursement, if any, to be paid EDSI under this contract exceed the sum of two million one hundred and fifty thousand dollars (\$2,150,000) in WIOA funds as described in Attachment D, "Solicitation (Cumberland County WFB RFP No. 18-01-WFD) and EDSI's Proposal" and this offer to contract signed by Kevin Schnieders. Provided further, EDSI acknowledges that the County and the Cumberland County Workforce Development Board are receiving monies to fund WIOA activities on behalf of the State of North Carolina and the United States Department of Labor and that the County's obligations to pay any funds is conditional upon receipt of such funds. The County may impose restrictions upon the maintenance of excess cash by the contractor consistent with the restrictions placed upon the County by the State and the United States Treasury Department.
- b. EDSI, using funds available pursuant to this contract, shall be fully responsible for the WIOA Adult, Dislocated Worker, College-to-Careers, Incumbent Worker Training, and Youth Program services and activities as provided for in the Statement of Work attached hereto as Attachment A and hereby incorporated by reference as is fully set forth herein.
- c. EDSI shall be entitled to an "Administrative Fee" calculated by the Determination of Reasonableness of Profit Worksheet, **Attachment XX**. This Administrative Fee shall be paid to EDSI in twelve equal monthly installments.

5. Approval of Subcontract or Assignability

- a. EDSI shall not assign all or any portion of its interests in this contract, nor shall any of the work or services to be performed under this contract by EDSI be subcontracted, without the prior written approval of the County.

6. County as Contract Administrator

- a. The County and Cumberland County Workforce Development Board staff shall perform the administrative, enforcement, oversight, evaluation, and monitoring of this contract as agents of the County. However, EDSI shall be fully responsible for its compliance with this contract and all laws, rules, regulations, and guidance applicable to the use of WIOA funding. EDSI shall not be entitled to rely on County or the Cumberland County Workforce Development Board for such compliance issues.
- b. All notices, reports, and other information including a monthly financial status report shall be sent via e-mail to the Cumberland County Workforce Development Board, c/o, Nedra Clayborne Rodriguez nrodriguez@co.cumberland.nc.us with a copy of said electronic reports sent to paazam@co.cumberland.nc.us.

7. The County has the right to monitor program, fiscal, personnel, and management activities under this

contract to ensure that performance goals are being met, and that appropriate administrative procedures, controls, and records are maintained, that Contract terms and conditions are being fulfilled, and that personnel and equal employment opportunity requirements are being met. EDSI for itself and for its sub-recipients does hereby authorize and agree to permit on-site visits by the County, Workforce Development Board Staff, State of North Carolina, USDOL or their designees, private questioning of employees and participants, and access for review or copying of EDSI or sub-recipient records of all programs. EDSI shall attend and shall require its sub-recipients to attend such meetings as requested by the Workforce Development Board regarding the monitoring or evaluation of programs.

The County may provide technical assistance to EDSI and its sub-recipients through periodic discussions and training sessions as the County deems necessary. Notwithstanding any such assistance provided by County, EDSI shall be fully responsible for complying with all applicable policy issuances, laws, and regulations.

The County may provide EDSI with written notification of deficiencies discovered in review of its activities and will endeavor to provide EDSI with reasonable time to take corrective action regarding deficiencies.

The failure of the County or the Workforce Development Board staff to discover or notify EDSI in writing of deficiencies does not relieve EDSI of its obligation to meet performance standards, maintain sound administrative and fiscal management, ensure equitable personnel policies and non-discrimination, and satisfy statutory, regulatory and contractual requirements.

8. Notification of Fraud or Abuse

EDSI shall immediately notify the County in writing of any charges or allegations of criminal misconduct, fraud, negligence, or other wrongdoing in connection with the program or any administering agency.

9. Maintenance of Records

EDSI shall maintain all fiscal and program records for periods required by federal regulations, but in no event less than four (4) years from the completion of obligations under this contract. Should audit proceedings be instituted concerning this contract, EDSI shall not destroy any records thereof until it is notified in writing that all audits are complete and such records are no longer needed. The County, the State, USDOL, and Comptroller General of the United States, or any of their designees shall have access to all records of any type of EDSI or its sub-recipient with regard to funded activities.

10. Property

- a. EDSI acknowledges that all non-expendable property, that is, property with a useful life of more than one year and a unit cost of \$500 or more per unit, and, as outlined in the "Property" section 3.6 of the Grant Administration Agreement, purchased with funds received under this contract or made available to EDSI by the County or the State specifically for a WIOA funded activity, is the sole property of the State. The County may reclaim or relocate non-expendable property hereunder at its discretion, subject to state and federal law. EDSI, however, may not transfer, relocate or alter the use of any property hereunder without the prior written authorization of the County. EDSI shall report any non-WIOA use of non-expendable property to the County.
- b. EDSI is responsible for the proper identification, inventory and maintenance of all property under its control. EDSI shall complete and submit to the County an annual inventory listing, clearly identifying WIOA Property. EDSI shall permit on-site inspections of all property by the County, the

State, USDOL, or their designees. EDSI shall adhere to all property policies from the County and the State.

- c. EDSI shall procure the prior written approval of the County to initiate any action involving acquisition by purchase, lease or trade, transfer, relation, changed use or disposition of non-expendable property. EDSI shall not be entitled to recover the costs of acquisition or transfer if such prior written approval is not obtained.
- d. EDSI shall not acquire real property with funds under this Contract.
- e. EDSI expressly assigns to the State any right it may acquire by operation of law or otherwise in any property under this Contract. If intangible property on which a patent or copyright is obtainable is developed with funds acquired under this contract, EDSI acknowledges and agrees to procure the acknowledgment of its sub-recipients that the property is work for hire funded by the State, and the State has ownership of such works unless specifically waived in writing by the Division of Workforce Solutions.
- f. On completion of the services under this Contract or upon earlier termination of this Contract, all non-expendable property and all expendable property covered by federal regulations shall be situated, transferred or disposed of according to instructions by the State.

11. Reporting Requirements

- a. In the case of reimbursable activities, EDSI shall furnish the County with a monthly financial status report in a format designated by the County. Such reports shall be furnished not later than ten (10) business days following the end of each month. Such reports shall consist of detailed information taken from records and official books of account of EDSI. In addition, the County, the State, and USDOL may require ad hoc reports for program management.

12. Supportive Services, PELL Grant Payments, and Other Financial Assistance

- a. Supportive Services provided by EDSI under this contract to participants shall not duplicate services provided by a public or private source(s), which are available at no cost to EDSI and/or participants. Additionally, EDSI is responsible for documenting a participant's receipt of all financial aid awards and maintaining such documentation. If other financial aid is received, adjustments to the cost of tuition and books paid through this contract shall be made accordingly.
- b. EDSI shall adhere to all Federal, State, and County mandated requirements regarding the use of PELL grant funds and other financial awards in conjunction with WIOA funds.

13. Accounting

- a. EDSI shall maintain complete accounting records sufficient to document receipts and expenditures of WIOA funds under this contract. For cost reimbursement activities, EDSI shall account separately for the expenses of each activity by cost category as described in the budget herein as Attachment B. For fixed unit price/performance based activities, EDSI shall submit the appropriate documentation as detailed in Attachment A, Statement of Work, for the amount described in the budget included as Attachment B. Program income must be accounted for, reported to the County by the appropriate program year fund allocation, and used during the contract period to offset the cost of the services provided or such additional income shall be forwarded to the County. Interest income on cash

advances of sub-grant funds shall also be accounted for as additional program income and reported accordingly.

- b. All accounting records should be maintained in accordance with Uniform Guidance Requirements 2 CFR 200, 215, 225, 230, including any exceptions identified by the Department of Commerce at 2 CFR part 2900, the NC Local Government Budget and Fiscal Control Act, Federal and State Certifications and Assurances, State Policy Issuances, other applicable OMB Circulars and administrative provisions, implementing regulations, and Generally Accepted Accounting Principles.

14. Rights in Documents, Materials, and Data Produced

- a. EDSI agrees that all reports and other data prepared by and for it under the terms of this contract shall be delivered to, become, and remain the property of the County or its assigned designee upon termination or completion of the work. Both the County and EDSI shall have the right to use it without restriction or limitation and without compensation to one another. For the purposes of this contract, data includes writings, sound recordings, or other graphic representations, and works of similar nature. No reports of the documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of EDSI.

15. Interest of EDSI

- a. EDSI covenants that neither EDSI nor its agents or employees presently has an interest, nor shall acquire an interest, direct or indirect, which conflicts in any manner or degree with the performance of its services hereunder, or which would prevent, or tend to prevent, the satisfactory performance of EDSI's service hereunder in an impartial and unbiased manner. EDSI further covenants that in the performance of this contract, no person having any such interest shall be employed by EDSI as an agent, subcontractor, or otherwise.

16. Interest of Members of the Council and Others

- a. No officer, member or employee of the County, Cumberland County Workforce Development Board, and/or no public official of any local government which is affected in any way by the WIOA activities, shall participate in any decisions relating to this contract which affects his/her personal interest or in the interest of any corporation, partnerships, or association in which s/he is, directly or indirectly, interested; nor shall any such person have any interest, direct or indirect, in this contract or the proceeds arising therefrom.

17. Location of Services

- a. EDSI shall co-locate its employees providing services pursuant to this contract at a location designated by the County. It is the intent of the County that said employees shall be co-located with employees of the Cumberland County Workforce Development Board and the Cumberland County NCWorks Career Center (to include employees of the North Carolina Department of Commerce's Divisions of Workforce Solutions and Services).

18. Maintenance of Effort

- a. EDSI sponsored training in existence prior to the initiation of this contract shall be continued and may not be reduced in any way as a result of this contract (except for reduction unrelated to the provisions or purposes of this contract). EDSI agrees that implementation of this contract will not

result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal or other funds in connection with work that would otherwise be performed.

19. Nepotism

- a. EDSI agrees for itself and its subcontractors that no two members of an immediate family shall be employed within the same agency if such employment will result in one supervising a member of his/her immediate family, or in one occupying a position which has influence over the other's employment, promotion, salary administration, and other related management or personnel considerations. Immediate family is described as wife, husband, mother, father, brother, sister, son, daughter, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, grandson, granddaughter, stepmother, or stepfather. This section shall also apply to governing boards for contractors, EDSI staff, and subcontractor staff involved in WIOA activities.

20. Complaints and Hearings

- a. EDSI shall have a complaint and hearing procedure for complaints and grievances by its employees, participants, and other persons. The procedure may involve investigations by EDSI and shall result in an impartial hearing within 30 days and a written decision in 60 days after receipt of the formal complaint.
- b. The County shall have a complaint and hearing procedure for complaints and grievances as described in policy #11 Nondiscrimination – Workforce Innovation and Opportunity Act (WIOA) Nondiscrimination/Equal Opportunity Standards and Complaint Procedures. The procedures shall be conducted under and governed by the County policies and/or the North Carolina Administrative Code. As to complaints and appeals governed by this paragraph, the County shall have authority to investigate and make findings, determinations and orders, including orders imposing corrective conditions and ordering sanctions, after the opportunity for a hearing. Where permitted under this contract or by law, sanctions and conditions may be imposed prior to an oral hearing in an emergency situation.
- c. The County may, on its own complaint, initiate an investigation and conduct a hearing on any activity under this contract.
- d. The complaint and hearing procedure hereunder will comply with WIOA, the regulations thereunder, and with state law.
- e. EDSI shall designate a hearing officer and provide each participant with a copy of EDSI's complaint and hearing procedure including the names and addresses of EDSI's hearing officer, and the hearing officer of the County.

21. Protests, Disputes, and Claims

- a. Except as otherwise provided in this contract, any protest, dispute, or claim, concerning a question of fact arising under this contract which is not disposed of by agreement shall be resolved by the County, which shall issue a written determination and mail or otherwise furnish a copy to EDSI. The decision of the County shall be final and conclusive unless, within 30 days from the date of receipt of such copy, EDSI mails or otherwise furnishes to the County a written appeal. The decision of the County shall be final and conclusive unless determined by a court of competent jurisdiction to have

been fraudulent, capricious, arbitrary, or as grossly erroneous as to imply bad faith or not to have been supported by substantial evidence. In connection with any appeal proceeding under this clause, EDSI shall be afforded an opportunity to be heard and to offer evidence in support of the appeal. Pending final decision of a dispute, EDSI shall proceed diligently with the performance of the contract and in accordance with the County's decision.

22. Indemnity and Insurance

- a. To the extent permitted by the North Carolina Tort Claims Act (Chapter 143, Article 31 of the North Carolina General Statutes) EDSI shall indemnify and save harmless the County from and against any and all claims, losses, costs, damages, expenses, judgments or liabilities caused or arising through EDSI's performance of this Agreement including, without limitation, negligent or other wrongful acts or omissions, accidents or other occurrence causing bodily injury, including death, sickness, and disease to any personnel, damage or destruction to property, real or personal, and sexual misconduct by EDSI and its employees and agents.
- b. EDSI shall provide the County written notice, in the form of Certificates of Insurance, for any and all insurance required by the RFP or by law. EDSI shall require its insurers to provide the County written notice of any cancellation or lapse in coverage of said insurance immediately upon said lapse or cancellation.

23. Audit

- a. EDSI agrees to have completed a fiscal and compliance audit covering the appropriate period of the contract and submit a copy to the County within 30 days after EDSI receives its completed audit but no later than six months from the end of the audit period. An independent firm of Certified Public Accountants or the State Auditor shall perform the audit. The audit of the contract shall include additional statements of WIOA revenues and expenditures as of June 30th when the contractor has a fiscal year other than June 30th and for the entire contract period when it has been performed during more than one fiscal year. WIOA grant funds may be used to pay the costs of such audit. The audit should include, at a minimum, an accountant's opinion, a balance sheet, a statement of revenues, expenditures, and fund balance, an opinion letter and a management letter, a Schedule of Federal and State Financial Assistance, Compliance Report, and Internal Control Report. The examination must be made in accordance with Generally Accepted Accounting Practices and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting office. EDSI audits will have all findings and questioned costs (including a note about all payables to and unearned receipts from WIOA) in the Compliance Section of the Audit. Furthermore, to ensure compliance with GS 159-40, non-profit corporations or organizations receiving funds under this contract of \$1000.00 or more and not exempted by Section 1(d) of GS 159-40, are required to file a copy of the independent audit report with the Office of the State Auditor. Also, audits of EDSI performed by the Office of the State Auditor or USDOL directly may satisfy the requirements of this paragraph. The County under state mandate may unilaterally impose additional reasonable conditions on audit activity.

24. Audit Resolution and Disallowed Costs

- a. In the event the County, State, or USDOL disallows any expenditures of funds made by EDSI under this contract, EDSI shall within 10 days reimburse such funds to the County from non-federal funds, after attempted resolution of the disallowed costs under the 120-day Audit Resolution Procedure. The County has adopted the 120-day Audit Resolution Procedure that allows EDSI a 30-day comment

period after receipt of the final audit. Within 30 days after the comment period, the County will issue an initial determination stating disallowed costs, then EDSI will have 60 days to produce documentation attesting to the allowed ability of the costs, request a hearing, or otherwise seek a settlement of the disallowed costs. At the end of the 120 days, a final determination will be issued stating all disallowed costs that shall be reimbursed. The County may, in the case of EDSI's default or actions which the County believes are not in good faith by EDSI, withhold future payments under this or any other contract with EDSI or impose other sanctions until the disallowed costs are resolved. If interest on disallowed costs accrues to the County or the State, EDSI shall also be liable for such interest charges.

25. Contract Closeout

- a. Within 30 days from the ending or termination of the contract, EDSI shall submit to the County a final performance report, financial report, closeout document, and a reimbursement for WIOA funds received in excess of final expenditures. Receipt of the closeout documents will complete all transactions under the contract except for property maintenance, audit, and audit resolution. No later than the date the final performance report is due, EDSI shall return to the County any and all County property purchased hereunder and any and all unexpended and surplus funds EDSI obtained pursuant to this Contract.

26. Changes

- a. Any changes in the terms of the Agreement must be in writing and signed by both parties to be effective, except if necessitated by unavailability of or reduction in funding.

27. Contracting Period

- a. The contracting period shall be as stated in section 3a (Time of Performance). As stated in the RFP, the County shall have the option of extending this contract for two additional one-year terms. The County shall give EDSI written notice of its intent to renew, including any additional provisions which the County determines necessary to include in this contract for the renewal period, no less than 60 days prior to the expiration of said period. If the County elects to renew, EDSI shall respond within 30 days of said notice with any requests for exceptions or changes to the original contract terms and any additional provisions provided by the County. If there are no exceptions noted, this contract, including said additional provisions, shall be renewed for the additional term.

28. Termination of the Contract

- a. If through any fault of its own, EDSI shall fail to fulfill in a timely and proper manner its obligations under this contract, or if EDSI shall violate any of the material covenants, agreements, representations or stipulations of this contract, the County shall have the right to terminate this contract by giving written notice to EDSI of such termination and specifying the effective date thereof. In such event, all finished documents and other materials collected or produced under this contract shall, at the option of the County, become its property. EDSI shall be entitled to receive just and equitable compensation for any work performed in accordance with this contract, except for the extent such work must be duplicated in order to complete the contract. Notwithstanding the foregoing, EDSI shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of this contract by EDSI, and the County may withhold payment of any additional sums as security for payment of damages caused by EDSI's breach, until such time as the exact amount of the damages resulting from such breach is determined.

- b. EDSI shall repay to the County within 30 days of termination of the contract any and all cash advances received which exceed actual expenditures for work performed in accordance with this contract. EDSI shall work closely with the County in the liquidation of advances and recovery of unexpended funds.
- c. The County may unilaterally terminate or modify this contract if necessitated by unavailability of or reduction in funding, and/or non-performance by EDSI.
- d. EDSI shall have the right to terminate this contract if the County breaches any of the material covenants, agreements, representations, or stipulations of this contract and has failed to correct such breach within 30 days after receiving written notification from the contractor of the breach. Upon termination, the County shall not be relieved of its duty to pay EDSI for services performed in accordance with the contract and prior to the effective date of termination.

29. Incorporated Documents and Definitions

a. Documents Included in the Contract

- i. The following documents are hereby made a part of this Contract by reference, and compliance with the applicable provisions of the documents is a condition of this Contract: Workforce Innovation and Opportunity Act Public Law No: 113-128 (herein after referred to as the "Act" or "WIOA"), WIOA DOL ETA 20 CFR, Part 651, 652, 653, 654, 658, 675, 676, 677, 678, 679, 680, 681, 683, and 686; and DOE Office of Career, Technical and Adult Education, Rehabilitation Services Administration 34 CFR Parts 361 and 463; other applicable federal laws, regulations, orders, circulars and issuances; applicable state laws, regulations, instructions and issuances; Attachment A, "Statement of Work"; Attachment B, "Budget"; Attachment C, "Certifications and Assurances"; and Attachment D "Solicitation (Cumberland County WFB RFP No. 18-01-WFD), and EDSI's Proposal" and this Offer to Contract.

b. Definitions Incorporated in the Contract

- i. All definitions included in WIOA and the regulations promulgated under WIOA, in other applicable federal statutes, regulations, circulars and directives, and in applicable sections of the North Carolina General Statutes and the North Carolina Administrative Code are incorporated herein by reference, whether defined at the time of this agreement or at any time during the period of the agreement.

c. Special Definitions

- i. Whenever WIOA and the regulations promulgated thereunder permit or require the Governor or the State to define certain words or phrases, or whenever the State or County determines that a definition is necessary, the State or County may define such words or phrases by issuance, rule, directive, bulletin or instruction, and such definitions shall be incorporated herein by reference.

d. Changes in Incorporated Documents and Definitions

- i. The parties are bound by any change in federal and state law that occurs subsequent to the

Contract. EDSI shall notify the County of any budget transfers or adjustments made to Attachment B.

- ii. If the cumulative amount of all transfers to and from that budget line item equals or exceeds five percent (5%) of the original amount as stated in Attachment B, no transfer or adjustment to that line item may be made without the written consent of the County. All budget transfer requests must include a brief explanation letter and a revised Attachment B prior to the County issuing written approval.

30. Severability, Discretion of the County, and Open Meetings Law

- a. In the event any provision of this Contract shall be considered unlawful or without effect, it shall be considered severable and shall not affect the remainder of the Contract.
- b. The County shall have the power and discretion to enforce any provision of this contract and to select from among its remedies under this Contract and at law. The failure of the County to enforce a provision shall not constitute waiver of the provision or the Contract.
- c. No action taken by EDSI or its sub-recipients in violation of any applicable provision of the state open meetings law shall be valid.

31. Force Majeure

- a. The performance of this Contract may be delayed and/or suspended by any act of God, war, civil disorder, employment strike, hazardous or harmful condition, any alleged criminal or reckless act not caused by EDSI, its employees, agents, and subcontractors, or other cause beyond the control of either party ("Force Majeure Event"). Should performance under this Contract be delayed and/or suspended due to any Force Majeure Event, neither party shall be held liable for any default, damage, and/or breach of contract resulting therefrom.

32. Notices

- a. Written notices required by this Contract shall be directed to the following representatives:

Cumberland County Workforce Development Board
C/O Nedra Clayborne Rodriguez
410 Ray Avenue
Fayetteville, North Carolina 28301

EDSI
Kevin Schneiders – CEO
15300 Commerce Dr. North
Dearborn, MI 48120

Or to such other persons and such other addresses as one of the above parties may designate in writing.

33. Order of Precedence of Attachments

- a. In the event of a conflict between this Contract and its attachments, this Contract shall have precedence over all attachments. Attachment B shall have precedence over Attachment A.

34. Entire Contract

- a. This is the entire agreement between the parties and there are no terms or conditions relative to this matter except those specifically set forth herein; time of completion and performance is of the essence in this contract.
- b. IN WITNESS WHEREOF, the parties have caused this agreement to be executed by its designated officials pursuant to the policies and procedures of their respective governing bodies, as of the day and year first above written.

County of Cumberland

Educational Data Systems, Inc. (EDSI)

Amy Cannon, County Manager

Kevin Schneiders, CEO

Date

Date

THIS INSTRUMENT HAS BEEN
PRE-AUDITED IN THE MANNER
REQUIRED BY THE LOCAL
GOVERNMENT BUDGET AND
FISCAL CONTROL ACT

APPROVED FOR LEGAL
SUFFICIENCY

FINANCE DIRECTOR

COUNTY ATTORNEY'S OFFICE

VICKI EVANS
Finance Director



ROBERT TUCKER
Accounting Supervisor

IVONNE MENDEZ
Accounting Supervisor

FINANCE OFFICE

4th Floor, Room No. 451, Courthouse • PO Box 1829 • Fayetteville, North Carolina 28302-1829

**MEMO FOR THE AGENDA OF THE JUNE 7, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: VICKI EVANS, FINANCE DIRECTOR

THRU: AMY CANNON, COUNTY MANAGER

DATE: MAY 29, 2018

SUBJECT: CONSIDERATION OF A STANDING OBJECTION TO THE
WAIVER OF ANY COURT COST OR FINE IN RESPONSE TO
SESSION LAW 2017-57, SECTIONS 18B.6(a) AND (b)

Requested by: Amy Cannon, County Manager

Presenter(s): Vicki Evans, Finance Director

Estimate of Committee Time Needed: 5 Minutes

BACKGROUND

In late November 2017, the County was notified that we would have the opportunity to appear and be heard on any waiver of court costs or fines imposed in criminal and infraction cases, to be effective December 1, 2017. Since that time, the Administrative Office of the Courts has provided the option of completing the attached form in lieu of having the attorney appear in court.

On the basis of fiscal responsibility, staff is requesting approval to register its objection to waiver or remission of any cost or fine that may be due to the County. We are also requesting approval to waive the request for notice as we no longer wish to receive monthly notices.

RECOMMENDATION/PROPOSED ACTION

Management recommends the Finance Committee approve and forward to the Board of Commissioners the following action:

Approve for the County Attorney to submit the standing objection/waiver of objection by objecting to waiver or remission of any cost under G.S. 7A-304 or fine that may be due the County (check box 1.a.); a waiver for the monthly notice to be discontinued (check box 2.a.).

Attachments: Form AOC-A-257, Government Agency Standing Response to Waiver/Remission of Court Costs and Fines
Letter from AOC regarding the Notice to Government Entities Receiving Court Costs and Fines

Celebrating Our Past...Embracing Our Future



ADMINISTRATIVE OFFICE OF THE COURTS

JONATHAN REDFORD HARRIS
GENERAL COUNSEL
OFFICE OF GENERAL COUNSEL

PO BOX 2448, RALEIGH, NC 27602
O 919-890-1300
F 919-890-1914
JONATHAN.R.HARRIS@NCCOURTS.ORG

March 16, 2018

CUMBERLAND CO TREASURER
POST OFFICE DRAWER 1829
FAYETTEVILLE, NC 28302

Re: Notice to Government Entities Receiving Court Costs and Fines

To Whom It May Concern—

The North Carolina Administrative Office of the Courts (NCAOC) is sending you this notice because you have been identified as a state or local government entity that may receive court costs or fines imposed in criminal and infraction cases. Effective December 1, 2017, government entities “directly affected” by any waiver or remission of court costs and fines are entitled to notice and the opportunity to be heard, through counsel, on any such waiver or remission.¹⁴⁸

By this notice, you are advised that at any setting of criminal court, a court may waive or remit costs and fines. Below is a link to the NCAOC’s online criminal calendars webpage, searchable by county.

<http://www1.aoc.state.nc.us/www/calendars/Criminal.html>

If an entity chooses to send counsel to a session of criminal court, counsel shall notify the courtroom clerk that he or she is present and requests the opportunity to be heard on any waiver.

In the interest of providing both (i) an efficient mechanism for government entities to express their preferences on such waivers without appearing in court and (ii) a single resource that trial court officials may consult about each entity’s position, the NCAOC will maintain a statewide registry of entity responses generated from the form on the back of this notice. The registry will be made available online on February 16th at: <http://nccourts.org/costwaiver>

Any entity wishing to register a standing objection or a lack of objection to waivers/remissions may do so by completing the form on the back of this notice, by and through counsel for the entity, and returning it by mail or email. Entities may also note if they would like to stop receiving these notices from the NCAOC. Entities that do not waive future mailed notices will continue to receive notices monthly. Any objection or lack of objection can be rescinded and replaced at any time by subsequent submission of this form. An electronic copy of this form will be available on the same website as the registry of entity responses.

¹⁴⁸ See Session Law 2017-57, Sections 18B.6.(a) and (b) (<https://www.ncleg.net/EnactedLegislation/SessionLaws/HTML/2017-2018/SL2017-57.html>) for further details.

STATE OF NORTH CAROLINA

Submission No. (Internal AOC use only)

In The General Court Of Justice

Name And Address Of Submitting Agency (type or print)

GOVERNMENT AGENCY STANDING RESPONSE TO WAIVER / REMISSION OF COURT COSTS AND FINES

G.S. 7A-304(a)

Notes to Submitting Counsel:

1. Counsel should submit standing responses only for agencies or political subdivisions for which counsel has clear authority to represent the agency's interests before the trial division, and this response must identify clearly the agency(ies) on whose behalf it is submitted. *E.g.*, a standing response by counsel for a county school board should identify the county board of education clearly as the agency in interest, not merely "County X," as it is unclear whether or not such a response purports to represent the county's interests for court costs to which it might be entitled under G.S. 7A-304 that are not disbursed for the use of the schools.
2. Responses should be submitted by **legal counsel for the agency, only**. To the extent this response may be considered by a court of the trial division, in order to avoid potential unauthorized practice of law by agency personnel not authorized to represent the agency before the courts, responses from non-counsel will not be included in the online registry.
3. Return completed forms with ink signature via mail or email to:
NCAOC – Office of General Counsel
Attn: Court Cost Waiver Standing Response
PO Box 2448
Raleigh, NC 27602
Email Address:
Waiver.Response@nccourts.org
4. Agencies may change their standing response at any time by submission of a subsequent response form, by and through appropriate counsel. A registry of current standing responses will be available online at: <http://nccourts.org/costwaiver>.

AGENCY RESPONSE

Now comes the above-named government entity, by and through counsel, and requests that the following standing responses concerning waivers or remissions of court costs or fines pursuant to G.S. 7A-304(a) be provided to the trial courts as the agency's position on any waiver/remission of a cost or fine to which the agency may be entitled. This standing response is subordinate to personal appearance by agency counsel at any individual hearing at which such waiver or remission may be considered, in which case the agency's position shall be the one expressed at such hearing, notwithstanding any content of this standing response to the contrary.

1. **Standing Objection/Waiver of Objection.** The above-named agency hereby registers its *(check one)*
- a. objection to waiver or remission of any cost under G.S. 7A-304 or fine that may be due the agency.
 - b. lack of objection to any waiver or remission, for which the agency defers to the court's discretion.
2. **Waiver/Request for Notice.** The agency hereby requests that mailed notices under G.S. 7A-304(a) from the Administrative Office of the Courts be *(check one)*
- a. **Discontinued.** The agency no longer wishes to receive monthly notices.
 - b. **Continued/Resumed.** The agency wishes to continue receiving mailed notices, or to resume receipt of notices for which receipt was previously discontinued.

Signature		Date
Counsel Name (type or print)	Title	Bar No.
Firm Name (if applicable)	Address (if different from above)	
Telephone No.		

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



ITEM NO. 4.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 JUNE 7, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: MELISSA C. CARDINALI, ASSISTANT COUNTY MANAGER

THRU: AMY H. CANNON, COUNTY MANAGER

DATE: MAY 22, 2018

SUBJECT: MONTHLY HEALTH INSURANCE REPORT

Requested by: Finance Committee

Presenter: N/A

Estimate of Committee Time Needed: For Information Only

BACKGROUND:

Claims for April 2018 are up 28% from April 2017 (month to month) and running comparable to FY17. To provide some perspective on the claims, below is the 10-month average for the past 5 fiscal years. This average represents the average claims for July – April of each fiscal year.

Average claims per fiscal year for July – April:

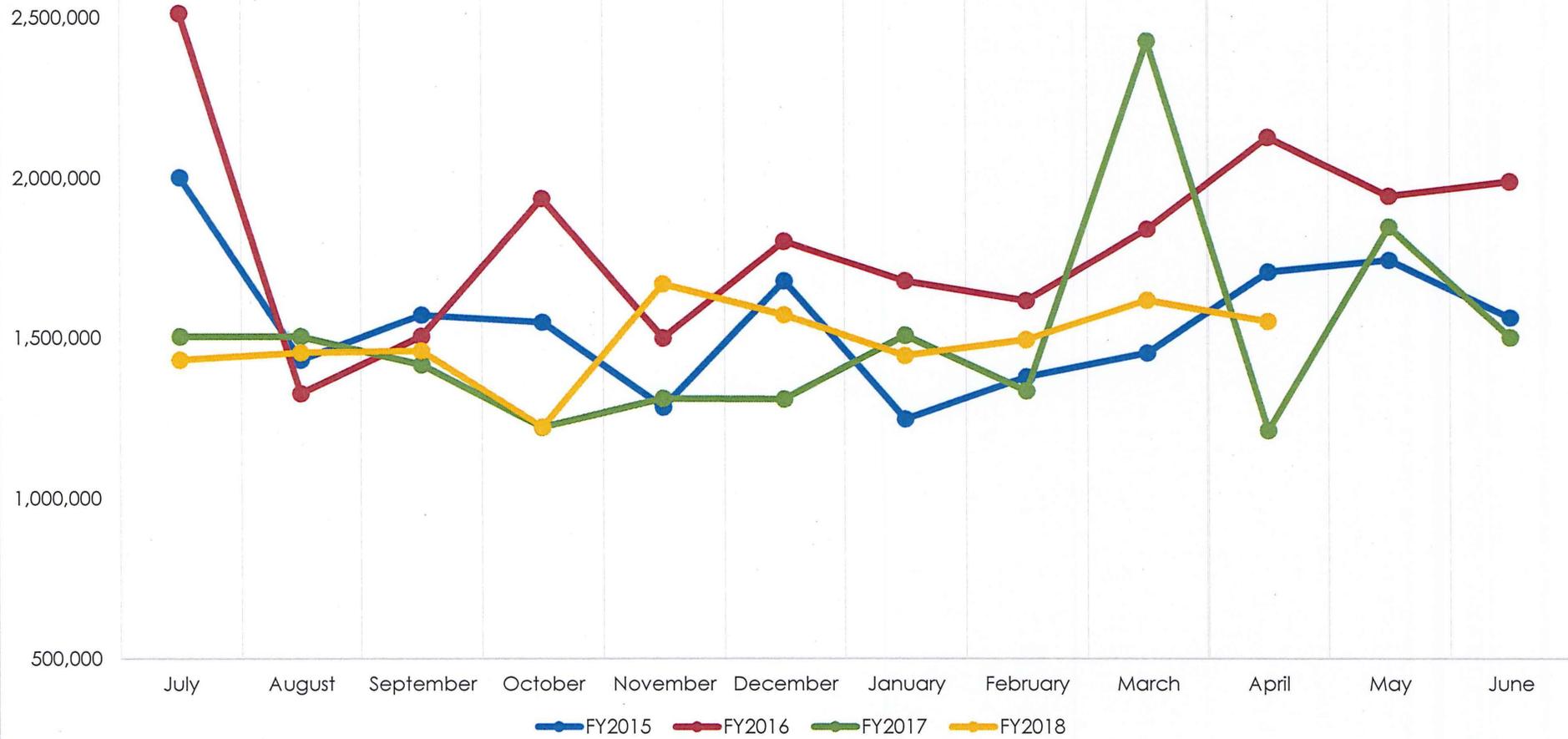
FY13 \$1,249,846
FY14 \$1,246,703
FY15 \$1,528,658
FY16 \$1,783,324
FY17 \$1,473,137
FY18 \$1,490,701

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

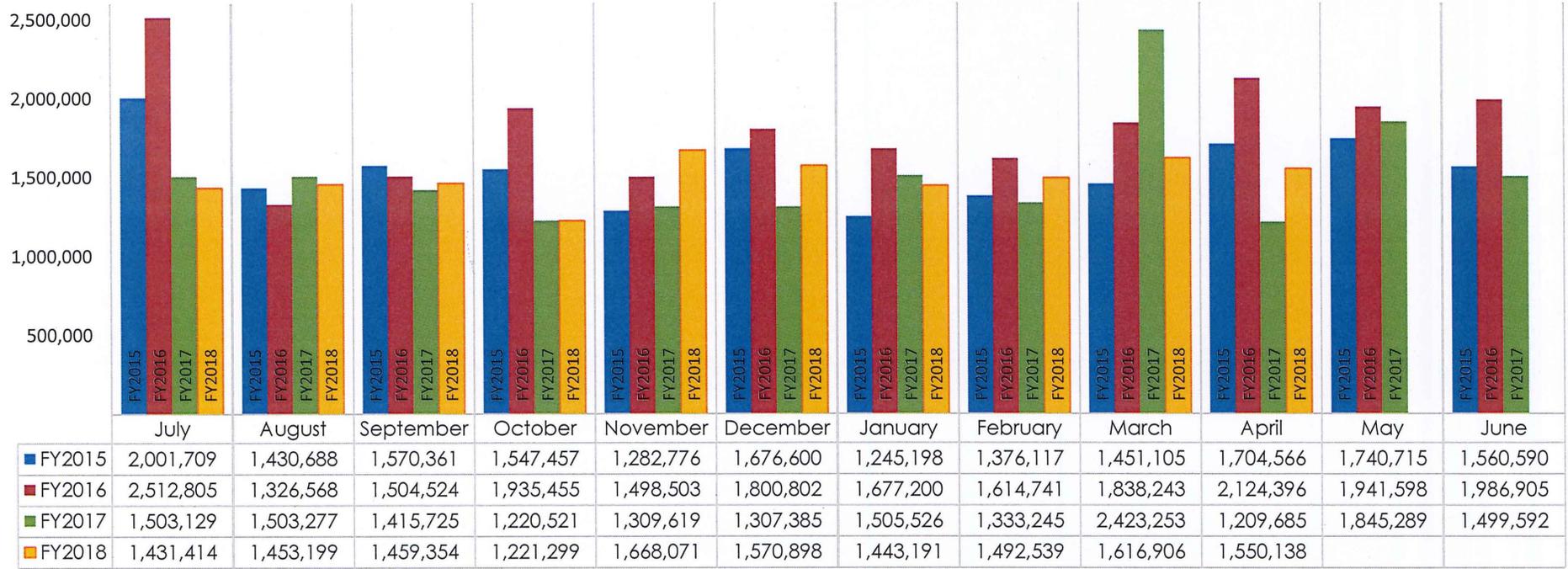
RECOMMENDATION/PROPOSED ACTION:

No action needed – for information only.

Monthly Insurance Claims FY15 - FY18



Monthly Insurance Claims FY15-FY18



■ FY2015 ■ FY2016 ■ FY2017 ■ FY2018

CUMBERLAND COUNTY CDBG-DR PROGRAM UPDATE
FOR THE JUNE 7, 2018
FINANCE COMMITTEE MEETING

Status as of May 29, 2018:

Total Applications	Application Intake (Step 1)	State Eligibility Check (Step 2)	State Duplication of Benefits Check (Step 3)	Under Further Review
237	102 (19 county/83 city)	43 (4 county/39 city)	70 (14 county/56 city)	22
Inspection & Environmental Review (Step 4)	Grant Determination (Step 5)	Contractor Selection (Step 6)	Construction (Step 7)	Completion (Step 8)
11	0	0	0	0

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

Milestones/Activities:

- Request for Project Management Proposal – Selection Committee Review June 4, 2018
- Ongoing– County will process applications, incomplete applications and submit for review; State will determine eligibility; State will handle environmental review processes;
- County CD Rehab staff have conducted site inspections on properties that are in the Step 3 DOB stage – 2 completed; 5 in progress
- City CD staff have conducted site inspections on properties that are in the Step 3 DOB stage – 2 completed; 2 in progress
- Prepare project detail form for State environmental review process – Robins Meadow Phase II; Day Resource Center in Homeless Initiative Committee for discussion on site determination

Current Staffing:

- State: – David Cauthorn, CD Specialist II, Dept. of Public Safety – (Community Outreach for CDBG-DR) – Temporary Office Room 119 – Historic Courthouse; 130 Gillespie St.
- Cumberland County:
 - Sylvia McLean, P.T. Community Development (CD) Consultant; Terrinique Washington, Admin Support Specialist; Tye Vaught, Admin Program Officer II;
 - Temporary Staff: Interviews completed –Admin Housing Coordinator II; - *projected June 25; Housing Project Manager – re-advertised 5/30/18*
- City of Fayetteville: Jay Reinstein and Cindy Blot are City representatives/contacts

Hours of Operation:

- Monday – Friday, 9 a.m. to 4 p.m.

VICKI EVANS
Finance Director



ITEM NO. 4.C.

ROBERT TUCKER
Accounting Supervisor

IVONNE MENDEZ
Accounting Supervisor

FINANCE OFFICE

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

**MEMO FOR THE AGENDA OF THE JUNE 7, 2018
MEETING OF THE FINANCE COMMITTEE**

TO: FINANCE COMMITTEE

FROM: VICKI EVANS, FINANCE DIRECTOR

THRU: AMY CANNON, COUNTY MANAGER

DATE: MAY 25, 2018

**SUBJECT: MONTHLY FINANCIAL REPORT – FISCAL YEAR 2018,
APRIL YEAR-TO-DATE**

Requested by: Finance Committee

Presenter(s): Vicki Evans, Finance Director

Estimate of Committee Time Needed: For information only

BACKGROUND

The financial report is included which shows the fiscal year 2018 April 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.

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	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF
	AUDITED	ADOPTED BUDGET	REVISED BUDGET	AS OF April 30, 2018	BUDGET TO DATE
Ad Valorem Taxes					
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 161,845,610	101.0% (1)
Prior Years	1,046,732	1,121,000	1,121,000	987,022	88.0%
Motor Vehicles	17,683,864	18,070,242	18,070,242	13,557,985	75.0% (2)
Penalties and Interest	650,368	667,602	667,602	648,109	97.1%
Other	1,018,563	930,279	930,279	808,723	86.9%
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	177,847,448	98.2%
Other Taxes					
Sales	41,517,943	41,760,036	41,760,036	23,976,259	57.4% (3)
Real Estate Transfer	1,091,362	700,000	700,000	852,674	121.8%
Other	1,114,408	1,111,500	1,111,500	508,617	45.8%
Total Other Taxes	43,723,713	43,571,536	43,571,536	25,337,549	58.2%
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	70,826,215	39,669,317	56.0% (4)
Charges for Services	13,832,010	12,056,608	12,078,908	8,828,460	73.1%
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,045,838	6,297,399	89.4% (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	3,813,452	102.7% (7)
Total Other	12,660,158	10,703,527	38,305,769	37,656,143	98.3%
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 345,883,713	\$ 289,338,919	83.7%
Fund Balance Appropriation		8,889,652	16,550,834	-	0.0% (8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 362,434,547	\$ 289,338,919	79.8%

**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 April 30, 2018	BUDGET TO DATE **
Governing Body	\$ 591,731	\$ 617,587	\$ 617,587	\$ 473,037	76.6%
Administration	2,515,558	1,501,201	1,501,201	1,102,228	73.4%
Public Affairs/Education	76,879	497,199	497,199	384,761	77.4%
Human Resources	30,245	828,896	828,896	658,018	79.4%
Print, Mail, and Design	754,908	875,345	861,871	580,623	67.4%
Court Facilities	55,786	129,370	173,610	121,032	69.7%
Facilities Maintenance	1,936,136	2,009,030	2,493,508	1,191,135	47.8%
Landscaping & Grounds	606,364	607,577	612,237	456,027	74.5%
Carpentry	231,715	234,884	234,884	144,152	61.4%
Facilities Management	1,238,266	1,267,781	1,273,221	979,217	76.9%
Public Buildings Janitorial	721,041	710,946	710,946	571,635	80.4%
Central Maintenance	798,075	672,386	672,386	483,630	71.9%
Information Services	3,388,444	3,958,479	4,173,447	2,694,118	64.6%
Board of Elections	1,180,015	2,237,762	2,237,762	773,816	34.6% (1)
Finance	1,205,572	1,201,225	1,201,225	911,554	75.9%
Legal	668,776	813,554	813,554	557,908	68.6%
Register of Deeds	2,092,298	2,321,099	2,761,865	1,510,311	54.7%
Tax	5,567,709	5,589,154	5,620,154	3,954,179	70.4%
Debt Service	23,400,669	21,464,283	21,466,328	15,484,305	72.1% (2)
General Government Other	3,828,293	4,237,882	4,554,690	2,405,614	52.8%
Sheriff	47,212,707	50,250,550	50,518,813	36,989,337	73.2%
Emergency Services	3,064,405	3,320,934	3,405,291	2,343,865	68.8%
Criminal Justice Pretrial	434,987	426,673	456,673	353,135	77.3%
Youth Diversion	325	25,000	25,000	1,730	6.9% (3)
Animal Control	2,932,986	2,922,717	2,947,717	2,312,863	78.5%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,007,220	1,075,666	1,396,928	863,863	61.8%
Heath	22,269,462	22,506,054	23,541,742	16,685,479	70.9%
Mental Health	3,148,761	5,452,507	3,281,366	2,964,003	90.3%
Social Services	71,524,059	66,425,182	67,147,945	46,500,495	69.3%
Veteran Services	371,189	385,725	385,725	305,241	79.1%

**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 April 30, 2018	BUDGET TO DATE **
Child Support	4,893,727	5,044,200	5,044,200	3,711,444	73.6%
Spring Lake Resource Administration	31,524	34,332	34,332	20,899	60.9%
Library	11,105,397	10,530,428	10,779,572	8,004,089	74.3%
Stadium Maintenance	110,288	117,296	117,296	59,565	50.8%
Culture Recreation Other (Some of the Community Funding)	312,816	268,069	268,069	250,502	93.4%
Planning	3,077,126	3,446,758	3,455,653	2,240,565	64.8%
Engineering	439,678	510,090	2,437,872	836,375	34.3% (4)
Cooperative Extension	570,083	705,596	705,596	410,005	58.1%
Location Services	357,095	447,221	447,221	251,715	56.3%
Soil Conservation	141,234	136,400	357,543	112,574	31.5%
Public Utilities	87,442	110,270	124,474	73,408	59.0%
Economic Physical Development Other	20,000	20,000	20,000	20,000	100.0% (5)
Industrial Park	3,296	23,148	23,148	844	3.6% (6)
Economic Incentive	420,423	548,418	710,918	100,315	14.1% (7)
Water and Sewer	-	250,000	379,330	-	0.0% (8)
Education	91,394,940	93,341,404	93,341,404	76,479,641	81.9%
Other Uses:					
Transfers Out	2,264,613	3,522,583	10,230,899	6,971,746	68.1% (9)
Refunding of 2009A and 2011B LOBS		-	27,543,249	27,531,480	100.0% (10)
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 362,434,547	\$ 271,832,480	75.0%

Expenditures by Category	FY16-17	FY17-18	FY17-18	EXPENDITURES AS OF	PERCENT OF
	UNAUDITED	ADOPTED BUDGET	REVISED BUDGET	April 30, 2018	BUDGET TO DATE
Personnel Expenditures	\$ 131,620,131	\$ 136,744,346	\$ 134,299,527	\$ 97,031,800	72.3%
Operating Expenditures	158,133,695	157,914,300	164,203,250	122,328,401	74.5%
Capital Outlay	2,118,869	3,460,456	4,127,401	2,051,654	49.7% (11)
Debt Service	23,946,955	21,981,176	21,983,221	15,917,400	72.4%
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,531,480	100.0%
Transfers To Other Funds	2,264,613	3,522,583	10,277,899	6,971,746	67.8%
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 362,434,547	\$ 271,832,480	75.0%

COUNTY OF CUMBERLAND

Fiscal Year 2018 - April Year-to-Date Actuals

Additional Detail

General Fund Revenues

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- (1) **Current Year Ad Valorem** - Actuals are at 101.0% of budget as of 4/30/18. 98.35% of the levied tax as of 4/30/18.
- (2) **Motor Vehicles** 88.0% - YTD Actual reflects 9 months of collections.
- (3) **Sales Tax** 57.4% - YTD Actual reflects 7 months of collections.
- (4) **Unrestricted/Restricted Intergovernmental Revenues** 55.5% - lag in revenue is typically one month.
- (5) **Other Sources** (includes Transfers In) 89.5% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer in to 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** 102.7% - paid in full.
- (8) **Fund Balance Appropriation** 0% - Direct entries are not made to fund balance throughout the fiscal year.

General Fund Expenditures

**

- (1) **Board of Elections** 34.6% - capital purchase budgeted for \$809,045 has not yet been purchased.
- (2) **Debt Service** 72.1% - large debt payment was made in December
- (3) **Youth Diversion** 6.9% - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
- (4) **Engineering** 34.3% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred. A budget revision was done in December to move this grant over to Engineering since they will be completing the projects.
- (5) **Economic Physical Development** 100% - NC Southeast contribution has been paid in full.
- (6) **Industrial Park** 3.6% - maintenance at Cedar Creek Industrial Park has not yet been completed.
- (7) **Economic Incentive** 14.1% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
- (8) **Water and Sewer** 0% - Funds budgeted for Overhills W&S have not yet been expended.
- (9) **Transfers Out** 68.1% - transfers out typically occur near year-end.
- (10) **Refunding** of 2009A and 2011B LOBS 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
- (11) **Capital Outlay** 49.7% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.